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Minister's Message

On behalf of Aboriginal Affairs and Northern Development Canada (AANDC) and the Canadian Polar Commission, I am pleased to present the *2011–2012 Departmental Performance Report.* This report demonstrates the constructive steps that were taken with key partners, including Aboriginal and Northern peoples, other governments and various stakeholders, to continue our work in improving the lives of First Nations, Métis, Inuit and Northerners.

In 2011–2012, AANDC continued to focus on the key priorities of education and participation of Aboriginal people and Northerners in Canada's economic prosperity. These priorities were the central focus of the January 24, 2012 Crown–First Nations Gathering where the Prime Minister and members of the Cabinet met with First Nation Chiefs from across Canada. Coming out of this historic Gathering was a renewed joint commitment to focus on achieving real progress on issues that matter to First Nations.

One key priority for both First Nations and for the Government is stronger partnerships in education. As a result of this priority, Canada signed a Tripartite Education Framework Agreement with the province of British Columbia and the First Nations Education Steering Committee in January 2012. The National Panel on First Nation Elementary and Secondary Education completed its work and we are now moving forward with the development of legislation to establish the structures and standards to support strong and accountable education systems on reserve. These are important steps toward improving educational outcomes for First Nation students.

The Department also continued to negotiate and resolve specific claims in a manner consistent with the *Justice at Last* initiative announced in 2007 and worked diligently to implement the 2006 Indian Residential School Settlement Agreement.

AANDC launched Nutrition North Canada on April 1, 2011, and established the Nutrition North Canada Advisory Board to ensure that Northerners have a direct voice in the future evolution of this program.

This report demonstrates the Government's commitment to working with willing and able partners. By continuing to work with key stakeholders, we will create the conditions for economic growth and job creation for all Canadians and improve the lives and prospects of all Aboriginal peoples and Northerners.

The Honourable John Duncan
Minister of Aboriginal Affairs and Northern Development

Section I: Organizational Overview

Raison d'être

Aboriginal Affairs and Northern Development Canada (AANDC) supports Aboriginal peoples (First Nations, Inuit and Métis) and Northerners in their efforts to:

- improve social well-being and economic prosperity;
- develop healthier, more sustainable communities; and
- participate more fully in Canada's political, social and economic development — to the benefit of all Canadians.

AANDC is the federal department primarily responsible for meeting the Government of Canada's obligations and commitments to First Nations, Inuit and Métis, and for fulfilling the federal government's constitutional responsibilities in the North. AANDC's overall mandate and wide-ranging responsibilities are shaped by centuries of history, and unique demographic and geographic challenges. It derives from the Canadian Constitution, the *Indian Act*, the *Department of Indian Affairs and Northern Development Act*, territorial Acts, treaties, comprehensive claims and self-government agreements as well as various other statutes affecting Aboriginal people and the North.

Most of the Department's programs, representing a majority of its spending, are delivered through partnerships with Aboriginal communities and federal–provincial or federal–territorial agreements. AANDC also works with urban Aboriginal people, Métis and Non-Status Indians (many of whom live in rural areas) through the Office of the Federal Interlocutor. AANDC is one of numerous departments and agencies delivering Aboriginal and northern programs and services.

Responsibilities

Indian and Inuit Affairs

AANDC's responsibilities for Indian and Inuit Affairs include:

- promoting improved education for Aboriginal people;
- negotiating claims and self-government agreements with Aboriginal communities, and overseeing the implementation of settled claims on behalf of the federal government;
- facilitating economic development opportunities for Aboriginal individuals, communities and businesses;
- funding the delivery of provincial-type services on reserves, such as education, housing, community infrastructure and social support;
- addressing and resolving issues that arise from the legacy of Indian residential schools;
- liaising effectively between the Government of Canada and Inuit governments and organizations in the implementation of policies and delivery of services; and
- fulfilling duties prescribed by the *Indian Act*, including managing Indian reserve lands and financial resources belonging to First Nation communities, and approving or rejecting bylaws in First Nation communities.

Office of the Federal Interlocutor

The mandate of the Office of the Federal Interlocutor derives from an Order in Council providing authority to the Minister to act as the federal government's primary interlocutor for Métis, non-status Indians and urban Aboriginal people. The Office of the Federal Interlocutor maintains and strengthens the Government of Canada's relations with organizations representing these groups. This role will change during the 2012–2013 fiscal year.

Northern Development

The Northern Development mandate derives from statutes enacted in the late 1960s and early 1970s, including the *Department of Indian Affairs and Northern Development Act,* 1970; from statutes enacting modern treaties north of 60°, such as the *Nunavut Land Claims Agreement Act,* or self-government agreements, such as the *Yukon First Nations Self-Government Act*; and from statutes dealing with environmental or resource management. Statutes that enact the devolution of services and responsibilities from AANDC to territorial governments, such as the *Canada–Yukon Oil and Gas Accord Implementation Act,* also serve to frame the mandate.

This makes AANDC the lead federal department for two-fifths of Canada's land mass, with a direct role in the political and economic development of the territories, and significant responsibilities for resource, land and environmental management. In the North, the territorial governments generally provide the majority of programs and services to all Northerners, including Aboriginal people.

AANDC's responsibilities for Northern Development include:

- promoting political and economic development in the Yukon, the Northwest Territories and Nunavut;
- negotiating the transfer of federal responsibilities for land and resource management to the territorial governments;
- managing the resources, land and environment of the North in places where federal responsibilities have not been transferred to territorial governments;
- managing contaminated sites;
- subsidizing the cost of nutritious perishable food;
- advancing circumpolar interests, such as Canada's Arctic sovereignty, climate change adaptation and environmental protection, Canadian representation at circumpolar forums, and scientific research related to the North; and
- implementing AANDC's legal obligations arising from treaties and land claim agreements.

AANDC will continue to lead and coordinate federal efforts and partnerships under the government's integrated Northern Strategy, as well as to implement its related initiatives, such as the Canadian High Arctic Research Station. Responsible economic development, an improved regulatory system, environmental protection, and making the most of the tremendous potential of the land and people of the North will contribute to increased employment and prosperity among Northerners.

Canadian Polar Commission

The Canadian Polar Commission, a separate agency, also supports polar research through its broad mandate, which relates to the development, promotion and dissemination of knowledge of the polar regions. It carries out this mandate by co-operating with organizations, institutions and associations, in Canada and elsewhere, to undertake, support, and publish studies, recognize achievements and promote polar research and its application in Canada, report on polar issues and the state of polar knowledge, and initiate and support conferences, seminars, and meetings.

Strategic Outcomes and Program Activity Architecture (PAA)

2011–2012 Program Activity Architecture

1. The Government

Good governance and co-operative relationships for First Nations, Inuit and Northerners

1.1 Governance and Institutions of Government
- First Nation Governments
- Institutions and Organizations

1.2 Co-operative Relationships
- Negotiations of Claims and Self-Government
- Specific Claims
- Inuit Relations
- Consultation and Engagement

1.3 Treaty Management
- Implementation of Modern-treaty Obligations
- Management of Treaty Relationships
- Management of Other Negotiated Settlements

2. The People

Individual, family and community well-being for First Nations and Inuit

2.1 Education
- Elementary and Secondary Education
- First Nation and Inuit Youth Employment Strategy
- Post-Secondary Education
- Cultural Education Centres

2.2 Social Development
- Income Assistance
- National Child Benefit Reinvestment
- Assisted Living
- First Nations Child and Family Services
- Family Violence Prevention

2.3 Managing Individual Affairs
- Registration and Membership
- Management of Moneys
- Estate Management
- Treaty Annuities

2.4 Residential Schools Resolution
- Common Experience Payments
- Independent Assessment Process
- Commemoration
- Support to the Truth and Reconciliation Commission

3. The Land and Economy

Full participation of First Nations, Inuit and Métis individuals and communities in the economy

3.1 Aboriginal Economic Development
- Aboriginal Entrepreneurship
- Activation of Community Assets
- Strategic Federal Investments and Partnerships

3.2 Federal Administration of Reserve Land
- Additions to Reserve
- Registration of Rights and Interests in Reserve Lands
- Clarity of Reserve Boundaries
- Environmental Management

3.3 Community Infrastructure
- Water and Wastewater Infrastructure
- Education Facilities
- Housing
- Community Infrastructure Assets and Facilities
- Renewable Energy and Energy Efficiency

4. The North

Self-reliance, prosperity and well-being for the people and communities of the North

4.1 Northern Governance and People
- Political Development and Intergovernmental Relations
- Nutrition North
- Climate Change Adaptation

4.2 Northern Science and Technology
- Northern Contaminants
- Science Initiatives

4.3 Northern Land, Resources and Environmental Management
- Oil and Gas
- Mines and Minerals
- Contaminated Sites
- Land and Water Management
- Environmental Management

5. Office of the Federal Interlocutor

Socio-economic well-being of Métis, Non-Status Indians and urban Aboriginal people

5.1 Urban Aboriginal Strategy

5.2 Métis and Non-status Indian Organizational Capacity Development

5.3 Métis Rights Management

Internal Services

Governance and Management Support • Resource Management Services • Asset Management Services

Organizational Priorities

In its *2011–2012 Report on Plans and Priorities*, AANDC identified ten priority areas which fall under three themes:

Transforming for Improved Results

- Strengthening and Reforming Education
- Empowering Citizens
- Improving Economic Development and Sustainability
- Sustaining the Momentum of the Northern Strategy

Improving Partnerships and Relationships

- Facilitating Community Development and Capacity
- Increasing Partnering to Ensure Programs are More Responsive
- Negotiating and Implementing Claims and Self-Government Agreements
- Implementing Reconciliation

Managing Resources Effectively

- Implementing the New Policy on Transfer Payments to Improve the Management of Funding Relationships
- Implementing the Public Service Renewal Action Plan

Priority: Strengthening and Reforming Education	Type*: Ongoing	Strategic Outcomes: The People, Office of the Federal Interlocutor

The Department has moved forward on key components of the Reforming First Nation Education Initiative. Progress in 2011–2012 included:

- A call for new First Nation Student Success program proposals which brought program participation rates to 90% of band-operated schools; this represents 98% of all students in band-operated schools, exceeding the initial target of 80% of band-operated schools represented in approved proposals by 2013;
- Strengthening education partnerships resulting in the signing of a Tripartite Education Framework Agreement with British Columbia and the First Nations Education Steering Committee in January 2012. This is an important step to improve partnerships and educational outcomes for First Nation students, whether they attend band-operated or provincial schools;
- Presentation of the final report of the National Panel on First Nation Elementary and Secondary Education for Students on Reserve, to the Minister of AANDC and the National Chief of the Assembly of First Nations (February 2012). The report's recommendations are informing ongoing departmental work, to improve the governance framework, accountability and outcomes for First Nation education;
- The Indian Studies Support Program funded 96 courses of study and 18 research development activities in 2011–2012 to increase access to post-secondary programs for First Nation and Inuit students;
- Improvements have been made to Post-Secondary Student Support Program guidelines for 2012–2013 to ensure that students have access to local guidelines, appeals processes and supports. It also worked to improve the quality of data being reported to the Department, and to clarify recipient requirements and expectations; and
- The Department has worked to test innovative approaches to improve educational outcomes of off-reserve Aboriginal learners. Such initiatives include the aspirational programming study to reduce dropout rates of at-risk Aboriginal youth and the Aboriginal Home Instruction for Parents of Preschool Youngsters feasibility study, an early childhood education program that breaks the cycle of poverty.

** "Type" is categorized as follows:* ***Previously committed to*** *— committed to in the first or second fiscal year before the subject year of the report;* ***Ongoing*** *— committed to at least three fiscal years before the subject year of the report; and* ***New*** *— newly committed to in the reporting year of the Departmental Performance Report.*

Priority: Empowering Citizens	Type: Ongoing	Strategic Outcomes: The People, Office of the Federal Interlocutor

AANDC worked to improve its Income Assistance program by funding 13 pilot projects, worth $1.96 million, aimed at improving case management capacity of service providers and helping clients to access skills development and training. In one project, AANDC worked with the province of Newfoundland and Labrador and the Labrador Innu First Nations of Sheshiatshiu and Natuashish to fund case management capacity, including tools needed to better administer the Income Assistance program through the use of case management. In a second project, AANDC worked with the Ontario Ministry of Community and Social Services and First Nations to support the reintegration of clients with barriers to employment, subsequent to their participation in treatment programs.

To provide additional levers and a more coordinated approach to increase socioeconomic conditions of urban Aboriginal people, the Department has worked, with Canadian Heritage, to transfer the Aboriginal Friendship Centre program on March 28, 2012; this federally funded initiative supports individuals moving to and settling within an off-reserve centre.

The First Nations Child and Family Services (FNCFS) program continued to provide funding to over 100 FNCFS agencies, which in turn deliver culturally-appropriate prevention and protection services to First Nation children and families living on-reserve. For those communities not served by FNCFS agencies, program continued to provide funding to provinces, territories or provincial/territorial organizations to deliver these services. All child and family services are provided in accordance with provincial/territorial legislation and standards.

In 2011–2012 the Urban Aboriginal Strategy supported the empowerment of citizens by continuing to build and strengthen the capacity of urban Aboriginal community organizations to move toward self-reliance, in such areas as supporting urban Aboriginal participation in the economy. The Urban Aboriginal Strategy also supported urban Aboriginal communities to develop strategic plans, providing guidance to all governments and stakeholders on investment of resources in communities.

To help protect the most vulnerable individuals on reserves, the *Family Homes on Reserves and Matrimonial Interests or Rights Act* was introduced in Parliament in September 2011 as Bill S-2. This bill addresses the legislative gap in on-reserve matrimonial real property by providing similar protections and rights to those afforded by other Canadians and empower First Nations to enact their own community-specific matrimonial real property laws. Bill C-27, the *First Nations Financial Transparency Act*, was introduced in the House of Commons on November 25, 2011 and is designed to enhance the financial transparency and accountability of First Nations governments.

Jordan's Principle is a child-first approach that ensures that the care of First Nation children with multiple disabilities continues even if there is a dispute between federal and provincial governments concerning the responsibility and payment of services. In 2011–2012, AANDC worked with federal, provincial and First Nations partners across the country to address potential cases as they arose, and to develop dispute resolution processes in New Brunswick, Manitoba, Saskatchewan, and British Columbia.

Priority: Improving Economic Development and Sustainability	Type: Ongoing	Strategic Outcomes: The Land and Economy, Office of the Federal Interlocutor

In 2011–2012, AANDC made notable progress in advancing its plans for improving economic development and sustainability for Aboriginal Canadians by continuing to move forward with the implementation of key program activities pursuant to the Federal Framework for Aboriginal Economic Development. AANDC support focused on key areas and included:

- Supporting Aboriginal business viability by: providing financial assistance, business information and resource materials, as well as referrals to other sources of financing; providing financial assistance to Aboriginal Financial Institutions and business development organizations to support their capacity to offer services to Aboriginal businesses; continuing work to strengthen the network of Aboriginal Financial Institutions, to ensure more sustainable developmental lending operations; and, playing an active role in facilitating new and effective partnerships to help Aboriginal communities and individuals benefit from major economic and business development opportunities;
- Continuing to implement the *First Nations Land Management Act*, *First Nations Commercial and Industrial Development Act* and *Indian Oil and Gas Act*, to address legislative and regulatory barriers and enhance the value of Aboriginal assets. In 2012, 18 additional First Nations were added as signatories to the Framework Agreement on First Nation Land Management. AANDC also assisted two additional First Nations in developing project-specific regulations under the *First Nations Commercial and Industrial Development Act*, and with the negotiation stage complete, AANDC is positioned to request that the regulations be brought into force in 2012–2013;
- Implementing the Procurement Strategy for Aboriginal Business across the federal government, including the development of a Memorandum of Understanding with other federal departments to support increased business registrations, improve data management, a strengthened national coordinators' network, and development of targeted procurement strategies. Aboriginal procurement and business partnership pilots were also developed to foster partnerships inside and outside the federal government. More broadly, AANDC continued to encourage and invest in whole-of-government approaches to support economic development that led to improved federal departmental coordination and linkages and resulted in the active participation of First Nation, Inuit and Métis individuals and communities in the Canadian economy;
- Establishing Lands and Economic Development Advisory Committees in most regions to further strengthen and support the coordinated delivery of lands and economic development programs. To complement this, AANDC is implementing two First Nations community land use planning pilot projects to strengthen community capacity to more effectively coordinate housing, land, environment and economic development activities, as well as integrate and modernize land use planning, legal surveys and local law-making. A prototype land survey approach was developed in 2011–2012 and is ready to be tested in 2012–2013. In addition, AANDC partnered with the National Aboriginal Land Managers Association to develop a land designation toolkit to support First Nations in the designation process and better position communities to respond to economic development opportunities. Also, a Joint Working Group was established between AANDC and the Assembly of First Nations to explore options to improve the Additions to Reserve process. Revised policies on additions to reserve, land designations, and land use planning will enable the majority of First Nations to plan for, and act on, economic development opportunities; and
- AANDC also worked with a number of groups and organizations to test innovative approaches (e.g. Métis Youth Entrepreneurship Challenge, Micro-business loans to Métis women) with the long-term goal of improving economic participation of Aboriginal people.

Priority: Sustaining the Momentum of the Northern Strategy	Type: Ongoing	Strategic Outcome: The North

During 2011–2012, AANDC continued to lead the Northern Strategy by coordinating federal efforts on northern initiatives.

AANDC advanced a number of key initiatives to support the development of sustainable Northern communities and to improve the business climate. Key initiatives led by AANDC included:

Promoting social and economic development

- Launching Nutrition North Canada on April 1, 2011, and establishing the Nutrition North Canada Advisory Board to ensure that Northerners have a direct voice in the program;
- Concluding the Canadian High Arctic Research Station Feasibility Study in September 2011;
- Coordinating and mobilizing the national and international northern science communities to be ready for the International Polar Year 2012 Conference, "From Knowledge to Action"; and
- Developing an awareness plan and engaging communities in the Central Mackenzie Valley to build understanding of new oil and gas exploration projects and their potential benefits and impacts.

Protecting our environmental heritage

- Achieving significant progress on the regulatory and legislative aspects of the Action Plan for Improving Northern Regulatory Regimes;
- Implementing the Beaufort Regional Environmental Assessment initiative; and
- Advancing the remediation of priority federal contaminated sites in the North.

Improving and devolving governance

- Commencing final devolution agreement negotiations in support of effective, efficient and coordinated management of public lands, waters and resources in the Northwest Territories; and
- Advancing constructive discussions on devolution in Nunavut, including developing a mandate for a Chief Federal Negotiator.

Priority: Facilitating Community Development and Capacity	Type: New	Strategic Outcomes: The Government, Office of the Federal Interlocutor

In 2011–2012, AANDC continued to support First Nation and Inuit communities that are at varying stages of development to make measurable progress toward self-reliance. Key initiatives led by AANDC include:

- Revising the approach to capacity development based on community risk level. By doing so, the departmental programs and policies will increasingly move away from national, one-size-fits-all approaches to becoming more responsive to differentiated First Nation and Inuit community realities;
- Distributing the Governance Capacity Planning Tool to all First Nations and Tribal Councils to help communities identify and prioritize their capacity needs. There are now more than 90 tools posted on the departmental website (http://www.aadnc-aandc.gc.ca/eng/1314982906753/1314983007320). A feedback form was developed and distributed to all First Nations; and
- Working with Health Canada regarding the harmonization of funding agreements. Reporting requirements were reviewed and amended to support 10 pilot communities in their reporting to members and the Department, through their community website. In addition, funding was provided to help upgrade the pilot communities' websites as needed;

AANDC, through the Office of the Federal Interlocutor, supported capacity development of Métis and non-status Indian organizations to ensure they are accountable through a number of activities:

- Initial engagement on a series of subsidiary accords to the Métis Nation Protocol to increase the Métis Nation Council's focus on economic development and governance; and
- Development of a bilateral agreement with the Congress of Aboriginal Peoples to assist them in strengthening their internal governance and financial measures.

Priority: Increasing Partnering to Ensure Programs are More Responsive	Type: New	Strategic Outcomes and Program Activity: The Government, The People, The Land and Economy, The North, Office of the Federal Interlocutor, Internal Services

During 2011–2012, AANDC continued to enhance collaboration with federal, provincial and municipal governments, post-secondary institutions, Aboriginal organizations, and the private and non-profit sectors. Key initiatives included:

- Continuing to facilitate partnerships between First Nation communities and organizations, other federal departments and provincial governments, and the private sector, in key economic sectors, including mining, energy, fisheries, agriculture and forestry;
- Assisting in the creation of the Ontario Federal-Provincial Energy Table on major energy and resource projects that led to stronger investment linkages, enhanced policy and programs integration, and improved coordination and collaboration among key governmental stakeholder groups;
- Strengthening the relationship between land management and economic development by facilitating linkages between the Council for the Advancement of Native Development Officers and National Aboriginal Land Managers Association to ensure that areas of future collaboration can be identified and support activities better aligned;
- Leveraging provisions under the *First Nations Land Management Act* and the *First Nations Commercial and Industrial Development Act*, to assist each community in more effectively addressing its unique economic development and governance realities. Partnering with First Nations organizations, such as the Lands Advisory Board, Indian Resource Council and Business Centres of Excellence, has enabled AANDC to further leverage the experience and expertise critical to building First Nation institutional capacity;
- Efforts to increase program responsiveness and effectiveness. For example, the Urban Aboriginal Strategy has invested $10.2 million, coordinated $3.14 million from other federal departments, and leveraged $7.75 million from municipalities and provinces, and $6 million from non-public sectors;
- Facilitating knowledge exchange between Canada and willing domestic and international partners as a means to share best practices and lessons learned on First Nation, Métis and Inuit issues; and further collaboration with the Department of Foreign Affairs and International Trade to support the engagement process with Northern and Aboriginal stakeholders and Canada's engagement with the Arctic Council Chairmanship;
- Coordinating the Nanilavut project, ('Let's find them' in Inuktitut), comprised of stakeholders from Inuit organizations, land claim organizations and the federal and territorial governments. Established to assist in the search of Inuit who died of tuberculosis between 1940 and 1960 while undergoing medical treatment in the South, the objective of Nanilavut is to help meet the needs of families searching for lost loved ones and to create an approach that could assist people in their own search for relatives. The ultimate goal is to help bring closure and begin the healing process for Inuit families and communities;
- Development of instruments, such as a *Federal Framework for the Management of Modern Treaties* and a *Guide for Federal Implementers of Comprehensive Land Claims and Self-Government Agreements* to promote a consistent, government-wide, modern treaty implementation approach for these fundamental agreements[1]; and
- AANDC provided ongoing support and funding for the implementation of tripartite Memoranda of Understanding on income assistance in Saskatchewan and Quebec.

[1] Referenced in the Nineteenth Annual Report to the Prime Minister on the Public Service of Canada, Renewing the Workplace, additionally, in her June 2011 report, the Auditor General noted positive progress in the implementation of modern treaties.

Priority: Negotiating and Implementing Claims and Self-Government Agreements	Type: Ongoing	Strategic Outcome: The Government

In 2011–2012, AANDC remained committed to negotiating and implementing claims and self-government, clarifying treaty relations between the Crown and First Nations, obtaining greater certainty over the ownership, use, and management of land and resources, as well as by effectively representing Inuit in federal policy decisions.

In 2011–2012, the Department made significant progress in the negotiation of claims and self-government agreements:

- Three Agreements were reached: Eeyou Marine Region Land Claims Agreement brought into force in February 2012, the Labrador Innu Agreement-In-Principle signed on November 18, 2011, and the Mi'kmaq and Maliseet of New Brunswick Umbrella Agreement signed in September 2011. Additionally, consultation protocols were concluded with First Nations in Prince Edward Island and New Brunswick; and
- In the British Columbia treaty process, Canada (and the Government of British Columbia) initialled a Final Agreement with the Sliammon First Nation on October 21, 2011 and signed an Agreement-in-Principle with the K'ómoks First Nation on March 24, 2012; several other agreements-in-principle and final agreements are in advanced stages of negotiation.

The Government also continued to resolve specific claims in a manner consistent with the *Justice at Last* initiative announced in 2007. In 2011–2012, 10 claims were settled through negotiation for a total of approximately $258.5 million. In addition, a total of 147 claims were accepted for negotiation.

Finally, progress continued in strengthening the implementation of obligations in modern treaties and self-government agreements. Tools and resources have been developed to assist federal implementers, including guides and monitoring tools. The Treaty Obligation Monitoring System reports that AANDC has achieved 93.5% to date for ongoing obligations and 82.2% for one-time obligations.

Priority: Implementing Reconciliation	Type: Ongoing	Strategic Outcome: The People

In order to meet federal obligations and commitments under the Indian Residential Schools Settlement Agreement (IRSSA), AANDC:

- Continued to effectively administer the Common Experience Payment, as well as represented Canada in the Independent Assessment Process;
- Launched Commemoration in collaboration with the Truth and Reconciliation Commission (TRC) and funded organizations in the amount of $8.5 million allocated to 69 projects;
- Continued to fulfill its obligations vis-à-vis the TRC by: disclosing documents relevant to its mandate. As of March 31, 2012, AANDC had disclosed over 936,114 documents and provided department-specific training to 22 departments. It also ensured the participation of high-level government officials at TRC national events. The Minister attended the two TRC national events held in 2011–2012; and
- Continued to collaborate with Health Canada on a horizontal initiative aimed at providing health support to former students and their families.

In addition to its efforts under the IRSSA, AANDC undertook the following work related to partnerships and reconciliation:

- Over $5.3 million was allocated to 30 organizations through the Advocacy and Public Information Program to support the sharing of information and to ensure that the Aboriginal community, particularly former students and their families, are made aware of all aspects of the IRSSA;
- Important gestures of reconciliation were offered at the two TRC national events held in 2011–2012; and
- In October 2011, the Minister announced that Canada will commemorate the legacy of Indian residential schools through the permanent installation of a stained glass window in Parliament.

Priority: Implementing the New Policy on Transfer Payments to Improve the Management of Funding Relationships	Type: Ongoing	Strategic Outcomes and Program Activity: The Government, The People, The Land and Economy, The North, Office of the Federal Interlocutor, Internal Services

The Policy is operational through the: establishment of risk-based management approaches, including appropriate tools and processes; the increased use of multi-year funding agreements; the development of a framework for the use of long-term funding agreements; engagement of recipients; development of a suite of national funding agreement models, including a plain language model; application of minor amendments to 46 existing program spending authorities; public disclosure of one Ministerial exception and the departmental plan for transfer payment programs; updated departmental policies and directives; and collaboration with other federal departments.

The Department refined its risk-based method for recipient reporting in 2011–2012. This will reduce both the number of recipient reports and the frequency of reporting for lower risk recipients in 2012–2013 and beyond, while ensuring that the department's financial oversight is preserved.

The Indian Government Support System was redeveloped in 2011–2012 to automate the extraction of key financial and population information from departmental systems. This will reduce the historic reporting and administrative burden of the Indian Government Support programs on recipients and regional offices. Implementation of the system will be rolled out in 2012–2013.

Moving forward, AANDC will work towards complete implementation of the Policy by finalizing service standards for transfer programs. To date, a service inventory has been developed, a Service Management Strategy and a Service Standards Governance Framework have been approved, and a service charter has been published online.

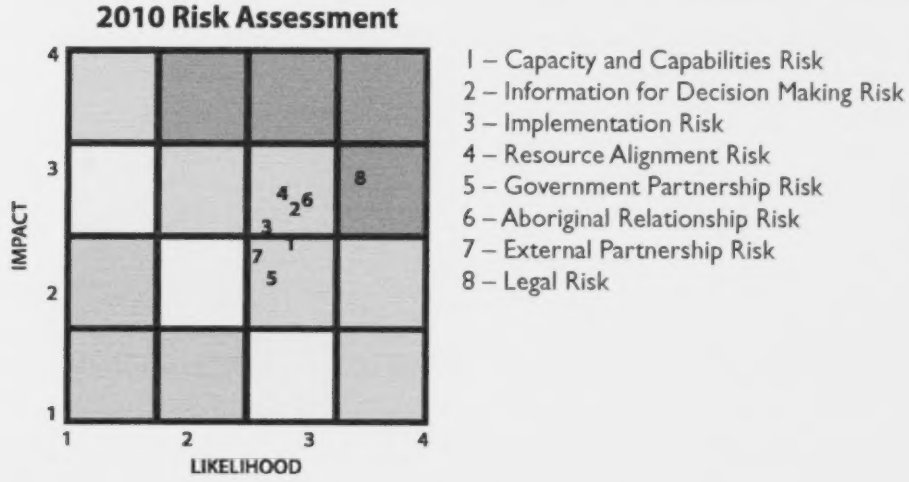
Priority: Implementing the Public Service Renewal Action Plan	Type: Ongoing	Program Activity: Internal Services

For a second consecutive year, AANDC has received an "acceptable" rating for excellence in People Management in the Management Accountability Framework. The Department continued the implementation of its Public Service Renewal Action Plan by focusing on improved integrated planning and resource allocation, recruitment of skilled talent, employee development, and workplace well-being. The Strategic Human Resources Management Plan brings the workforce management activities in line with departmental objectives and indicates how the Department is dealing with the Public Service Renewal Priorities.

Risk Analysis

Managing Our Corporate Risks

Each year AANDC undertakes an exercise to review and update its Corporate Risk Profile (CRP). The CRP is a point-in-time representation of the most significant risks that pose a threat to achieving AANDC's mandate and objectives. The CRP was developed through analysis of key planning, audit and evaluation documents, as well as a series of comprehensive interviews with senior AANDC managers from all sectors and regions. This exercise resulted in the identification and assessment of eight key risks (see below).



Once completed, the CRP informed the Department's business planning cycle and was a key input in the Department's priority-setting exercise. The activities put forward in the Department's plans not only addressed the operational needs of individual programs, but in turn, contributed to the overall management of the Department's corporate risks.

The following reflect some key examples of mitigating actions taken:

- The implementation and monitoring of the Department's Human Resource Strategic Plan used targeted strategies to address departmental human resources issues such as recruitment and succession planning. These activities helped to mitigate *Capacity and Capabilities Risk*.
- Progress was made on implementing the Department's new Education Information System. This system is designed to enable the Department to collect and provide access to reliable, timely, and consistent data to support decision-making related to education programming, partially mitigating the risk related to *Information for Decision-making*.
- The Department set up a Transfer Payments Centre of Expertise that provided guidance and advice on the risk-based management and analysis of transfer payment programs and activities. A number of initiatives arising from the implementation of the Policy on Transfer Payments were advanced to ensure risk-based approaches were incorporated into the development, implementation and management of programs. This included significant enhancement to the recipient General Assessment tool and the ongoing application of the Program Risk Assessment tool aimed at ensuring the administrative requirements of recipients are proportionate to risk, and that appropriate program monitoring is put in place. Both served to assist in mitigating the *Implementation Risk*.

- In order to address its *Resource Alignment Risk,* the Department set priorities for the year informed by the risks identified in the CRP. Quarterly reporting, pursuant to the Corporate Business Plan, allowed the Department to track progress on these priorities. The Department also continued the application of a risk-based process to the assessment of funding pressures, which was critical for the purposes of better aligning resources to priorities.
- AANDC participated in a number of interdepartmental initiatives to foster productive relations with its federal partners. In particular, the Department worked with Human Resources and Social Development Canada and Health Canada to develop, coordinate and better integrate social and economic development programs. AANDC was also the lead on the Federal Framework for Aboriginal Economic Development. Supported by an Interdepartmental Team, the Department continued to assist departments and agencies in fulfilling the duty to consult and, where appropriate, accommodate, by developing tools to assist federal officials in meeting the duty, and by fostering interdepartmental and intergovernmental coordination and consistency. Together these helped to mitigate the *Government Partnership Risk*. The Department also participated in an AANDC–Health Canada Joint Initiatives Committee to advance mutually beneficial initiatives.
- The *Aboriginal Relationship Risk* was addressed through a number of key initiatives including: numerous comprehensive and specific land claims and self-government negotiations; the signing of the Canada–First Nations Action Plan to improve the long term prosperity of First Nations people; the ongoing support to the Truth and Reconciliation Commission and the Advocacy and Public Information Program; and an engagement process with the Assembly of First Nations for elementary and secondary education. AANDC strengthened partnerships by negotiating and managing consultation protocols/arrangements with Aboriginal groups and provinces/territories to achieve a consistent and coordinated fulfillment of the duty to consult. The Department's work with the Métis National Council, the Manitoba Métis Federation, and other regional affiliates and partners to address the key priorities set out in the Métis Nation Protocol and the work with Inuit youth organizations and Inuit governments on projects targeted to build capacity also served to strengthen relations with these Aboriginal populations.
- Over the last year, the Department's *External Partnership Risks* were addressed through a number of devolution negotiations and agreements with provinces and territories. These helped to bring clarity to the roles and responsibilities of all the parties. In addition, AANDC negotiated Memoranda of Understanding with provinces/territories to help reduce overlapping processes of consultation and accommodation with other jurisdictions, and foster the sharing of information on Aboriginal consultation processes.
- The Department advanced a number of initiatives to address *Legal Risk,* including: out-of-court settlements; active participation in the Interdepartmental Assistant Deputy Minister Working Group on Legal Risk Management and Integrated Risk Management and the Joint Steering Committee on Litigation; and, the completion of agreements pertaining to comprehensive and specific claims and self-government.

AANDC continued to promote and apply sound risk-management practices throughout the organization through ongoing risk assessments at the sector, region, and program level and with ongoing risk training initiatives. The Department monitored key activities and their associated risks through the quarterly reporting process to ensure that progress was being made on its strategic outcomes and objectives.

Summary of Performance

Aboriginal Affairs and Northern Development Canada

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
7,418.4	8,132.8	7,930.0	5,353	5,292.2	-60.8

The net decrease of 60.8 full-time equivalents (FTEs) from 5,353.0 Planned to 5,292.2 Actual FTEs, is primarily a result of the transfer to Shared Services Canada of human resources for information technology services including e-mail, data centre and network; and to operational efficiencies achieved by focusing on ways to decrease the costs of operations as much as possible.

In addition, following a review of the FTEs captured under the program activity "Internal Service", a realignment of FTEs was made from Internal Services to the appropriate program area. Details of the realignment are presented in Section IV.

Explanation of Variances

Variances between Main Estimates, Planned Spending, Total Authorities and Actual Spending are largely attributable to the timing of key elements of the fiscal cycle. The Main Estimates, as approved by Parliament in the initial appropriations, are the first step in the fiscal cycle.

The Planned Spending figure for 2011–2012 includes Main Estimates of $7,368 million, plus an additional $50 million in funding for those initiatives known when the Report on Plans and Priorities was prepared in the January/February time frame of the preceding fiscal year. Specifically, the $50 million was primarily for a series of Yukon comprehensive land claim and self-government implementation initiatives, for improving the regulatory regime and environmental monitoring in the North, for the registration of applicants under the *Gender Equity in Indian Registration Act*, and for implementation of the Beaufort Regional Environmental Assessment.

The Total Authorities represent Main Estimates plus Supplementary Estimates, plus adjustments to authorities approved by Treasury Board, such as the operating budget carry-forward and paylist requirements, as well as the carry-forward from previous years of other various authorities. More specifically, the difference of $714 million between Total Authorities ($8,132 million) and Planned Spending ($7,418 million) is largely a result of:

- funding provided in Supplementary Estimates for:
  - — funding of awards to claimants resulting from the Independent Assessment Process and Alternative Dispute Resolution related to the Indian Residential Schools Settlement Agreement, including other settlement agreement costs that directly benefit claimants;
  - — funding for on-reserve costs incurred by provincial/territorial or other emergency management organizations as required under the Emergency Management Assistance Program;
  - — funding related to the assessment, management and remediation of federal contaminated sites; and
  - — funding for specific claims settlements.
- the carry-forward from previous years of authorities for loans and guarantees of loans; and
- operating budget carry-forward and paylist requirements (i.e. items such as parental benefits and severance payments).

Actual Spending reflects spending activity during the fiscal year as per the Public Accounts of Canada. A number of factors contributed to the difference of $202 million between Actual Spending ($7,930 million) and Total Authorities ($8,132 million), including:

- the deferral of certain initiatives to the following year where the funding will be used for the intended purposes (of particular note, payments related to specific claims settlements, the Indian Residential Schools Settlement Agreement and for the New Food Subsidy program for isolated northern communities, as well as for projects under the First Nation Infrastructure Fund and the Federal Contaminated Sites Action Plan);
- carry-forward of resources (e.g., operating budget carry-forward) from fiscal year 2011–2012 to 2012–2013, as well as authorities for loans and guarantees of loans that were not used in 2011–2012, but that will be available for use in subsequent years; and
- reduced loan requirements for First Nations involved in claim negotiations.

Canadian Polar Commission

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
1.0	1.3	1.3	5	5	0

Explanation of Variances

The difference of $0.3 million between Total Authorities ($1.3 million) and Planned Spending ($1.0 million) is a result of adjustments to authorities, approved by Treasury Board, for the operating budget carry-forward and paylist requirements.

Measuring AANDC Strategic Outcomes

AANDC strategic outcomes, taken collectively, reflect high level objectives for individual and community well-being for Aboriginal people and Northerners. Given the challenges around the measurement of *well-being*, including data collection, AANDC developed the Community Well-Being (CWB) Index. Adapted from the Human Development Index and drawing on Statistics Canada's Census of Population, this index is the primary indicator of AANDC results at the strategic outcome level.

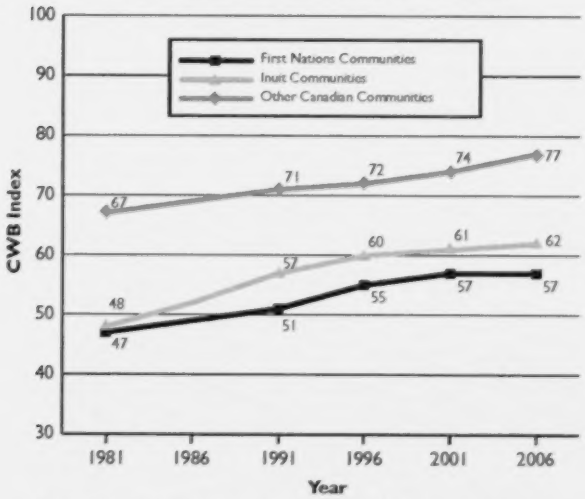
The CWB is designed to measure *quality of life* over time for First Nations and Inuit communities in Canada in comparison to other Canadian communities. It focuses on four dimensions of quality of life — education, income, labour force participation and housing. As such, the CWB is considered a proxy measure; it does not define well-being as a concept or as an objective, but rather, contributes to the understanding of well-being and, at a foundational level, to the understanding of AANDC results at the highest levels.

The following table summarizes the relationship of the index to these outcomes.

Strategic Outcomes	CWB Components
The Government	Labour Force and Income
The People	Complete CWB Index and Education
The Land and Economy	Labour Force and Income
The North	Labour Force, Income and Housing
Office of the Federal Interlocutor	N/A

The following graph highlights the CWB trend line over the past 25 years. From 1981 to 1996, there was significant progress in the CWB for First Nations and Inuit communities, which narrowed the well-being gap in relation to other Canadian communities. However, since 2001, there has been little or no progress in the CWB for First Nations and Inuit communities[2].

Average CWB Scores, 1981–2006



Source: Statistics Canada, 1981, 1991, 1996, 2001 and 2006 Census of Population.

While the CWB scores have merit, it is a challenge to use in annual reporting because it depends on Census data that is only collected every five years.

CWB component highlights:

- Income has been increasing since 1981 in First Nations communities at a similar pace to other Canadian communities. Recent income increases in Inuit communities have occurred at a faster rate.
- Labour force activity has increased at relatively the same pace across all Canadian communities since 1981.
- Educational attainment has continued to increase since 1981, but since 2001, not at the same pace as other Canadian communities.
- While the housing score for Canadian communities has remained stable since 1981, the overall housing score for First Nations and Inuit communities declined between 2001 and 2006, particularly in relation to housing quality. The decline is particularly notable in Inuit communities. Housing quantity (crowding), however, has continued to improve significantly.

[2] The data necessary to update the CWB comes from the 2011 Census and 2011 National Household Survey (NHS). In order to update the index, all variables from the NHS need to be released by Statistics Canada which will occur in a staggered fashion starting in 2013. Once this data is available, a 2011 CWB will be generated and a re-computing of the CWB historically may be required to ensure the index is comparable over time

Strategic Outcome: The Government — Good governance and co-operative relationships for First Nations, Inuit and Northerners

Performance Indicators	Targets	2011–2012 Performance
Labour force and income components of the Community Well-Being Index (CWB)	Targets were not established for 2011–2012	AANDC supported initiatives to strengthen First Nations governance in the areas of elections, bylaw making, accountability, registration, and membership and citizenship A CWB score of 71 for the labour component[3] and a CWB score of 55 on the income component[4] were calculated for 2006 which is the most recent assessment

Program Activity	($ millions)					Alignment to Government of Canada Outcome
	2010–2011 Actual Spending*	2011–2012				
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Governance and Institutions of Government	476.3	434.9	434.9	496.0	495.9	A diverse society that promotes linguistic duality and social inclusion
Co-operative Relationships	816.5	478.9	478.9	519.8	472.5	A diverse society that promotes linguistic duality and social inclusion
Treaty Management	626.2	689.3	711.3	735.9	735.7	Strong economic growth
Total	**1,919.0**	**1,603.1**	**1,625.0**	**1,751.8**	**1,704.1**	

Due to rounding, figures may not add up to total shown.

** In order to allow comparability with the figures reported for 2011–2012, figures for Actual Spending for 2010–2011 have been restated from figures previously reported in the 2010–2011 Performance Report to reflect the revised Program Activity Architecture for 2011–2012.*

[3] Labour force activity has increased at relatively the same pace across all Canadian communities since 1981.

[4] Income has been increasing since 1981 in First Nation communities at a similar pace to other Canadian communities. Recent income increases in Inuit communities have occurred at a faster rate.

Strategic Outcome: The People — Individual, family and community well-being for First Nations and Inuit

Performance Indicators	Targets	2011–2012 Performance
Community Well-Being Index (CWB) for First Nations and Inuit	Targets were not established for 2011–2012	Refer to the previous description and/or detailed trend analysis of the CWB AANDC focused on education and social program reform and the building of partnerships. In addition, significant work has been done on tracking and meeting service standards in relation to managing individual affairs and residential schools resolution

Program Activity	($ millions)					Alignment to Government of Canada Outcome
	2010–2011 Actual Spending*	2011–2012				
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Education	1,628.3	1,657.2	1,657.2	1,677.6	1,675.0	A diverse society that promotes linguistic duality and social inclusion
Social Development	1,610.9	1,564.4	1,565.5	1,678.1	1,678.0	
Managing Individual Affairs	40.6	22.1	27.4	44.2	43.3	
Residential Schools Resolution	516.8	391.1	391.1	567.8	560.3	
Total	**3,796.7**	**3,634.8**	**3,641.3**	**3,967.7**	**3,956.7**	

Due to rounding, figures may not add up to total shown.

** In order to allow comparability with the figures reported for 2011–2012, figures for Actual Spending for 2010–2011 have been restated from figures previously reported in the 2010–2011 Performance Report to reflect the revised Program Activity Architecture for 2011–2012.*

Strategic Outcome: The Land and Economy — Full participation of First Nation, Inuit and Métis individuals and communities in the economy

Performance Indicators	Targets	2011–2012 Performance
Labour force and Income data	Targets were not established for 2011–2012	Refer to the previous description and/or detailed trend analysis of the CWB AANDC remains committed to implementing the Federal Framework on Aboriginal Economic Development through: developing sustainable and innovative ways to promote Aboriginal businesses and funding practices; strengthening the capacity for and relationship between land management and economic development; reviewing the current policies and guidelines; and, ensuring strong partnerships with key players The Department also remains dedicated to building and maintaining community infrastructure in collaboration with its Aboriginal partners and other parties

Program Activity	($ millions)					Alignment to Government of Canada Outcome
	2010–2011 Actual Spending*	2011–2012				
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Aboriginal Economic Development	227.4	250.0	252.3	320.4	239.2	Strong economic growth
Federal Administration of Reserve Land	125.4	37.8	37.8	208.0	207.3	A clean and healthy environment
Community Infrastructure	1,300.4	1,212.2	1,212.2	1,099.9	1,096.9	Strong economic growth
Total	**1,653.2**	**1,500.0**	**1,502.3**	**1,628.3**	**1,543.4**	

Due to rounding, figures may not add up to total shown.

** In order to allow comparability with the figures reported for 2011–2012, figures for Actual Spending for 2010–2011 have been restated from figures previously reported in the 2010–2011 Performance Report to reflect the revised Program Activity Architecture for 2011–2012.*

Strategic Outcome: The North — Self-reliance, prosperity and well-being for the people and communities of the North

Performance Indicators	Targets	2011–2012 Performance
Labour force and income components of the Community Well-Being Index for the North	Targets were not established for 2011–2012	Refer to the previous description and/or detailed trend analysis of the CWB As part of the Northern Strategy, AANDC moved a number of key initiatives forward to support the development of sustainable Northern communities and to improve the business climate

Program Activity	($ millions)					Alignment to Government of Canada Outcome
	2010–2011 Actual Spending*	2011–2012				
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Northern Governance and People	135.9	120.7	120.7	141.8	126.6	Healthy Canadians
Northern Science and Technology	64.4	10.7	13.6	16.8	16.0	An innovative and knowledge-based economy
Northern Land, Resources and Environmental Management	218.8	73.6	88.8	191.0	179.9	A clean and healthy environment
Total	**419.2**	**204.9**	**223.0**	**349.5**	**322.4**	

Due to rounding, figures may not add up to total shown.

** In order to allow comparability with the figures reported for 2011–2012, figures for Actual Spending for 2010–2011 have been restated from figures previously reported in the 2010–2011 Performance Report to reflect the revised Program Activity Architecture for 2011–2012.*

Strategic Outcome: Office of the Federal Interlocutor — Socio-economic well-being of Métis, Non-Status Indians, and urban Aboriginal People

Performance Indicators	Targets	2011–2012 Performance*
Average per capita income of Métis and non-status Indians (MNSI) and urban Aboriginal people	2% increase between 2001 and 2011 for high school attainment, employment and average total income for urban Aboriginal people in UAS-designated cities	2011 National Household Survey data measuring off-reserve average income are not yet available Based on data from the 2001 and 2006 Censuses, average individual income for urban Aboriginal people in UAS-designated cities increased by 14% over the period (in 2005 constant dollars)
Highest level of educational attainment for MNSI and urban Aboriginal people	2% increase between 2001 and 2011 for high school attainment, employment and average total income for urban Aboriginal people in UAS-designated cities	Based on data from the 2001 and 2006 Censuses, high school attainment for Aboriginal people in UAS-designated cities increased by approximately 6% over the period
Employment rate for MNSI and urban Aboriginal people	2% increase between 2001 and 2011 for high school attainment, employment and average total income for urban Aboriginal people in UAS-designated cities	Based on data from the 2001 and 2006 Censuses, the employment rate for Aboriginal people in UAS-designated cities increased by 4% over the period

** Comparable data from the 2011 National Household Survey will not be available until 2013 or later.*

Program Activity	($ millions) 2010–2011 Actual Spending	2011–2012 Main Estimates	2011–2012 Planned Spending	2011–2012 Total Authorities	2011–2012 Actual Spending	Alignment to Government of Canada Outcome
Urban Aboriginal Strategy	14.5	13.5	13.5	14.9	14.9	Income security and employment for Canadians
Métis and non-status Indian Organizational Capacity Development	15.9	16.1	16.1	16.5	16.3	A diverse society that promotes linguistic duality and social inclusion
Métis Rights Management	8.8	11.9	11.9	9.5	9.5	A diverse society that promotes linguistic duality and social inclusion
Total	**39.2**	**41.5**	**41.5**	**40.9**	**40.7**	

Due to rounding, figures may not add up to total shown.

AANDC Internal Services

Program Activity	($ millions) 2010–2011 Actual Spending	2011–2012 Main Estimates	2011–2012 Planned Spending	2011–2012 Total Authorities	2011–2012 Actual Spending
Internal Services	407.6	384.0	385.2	394.7	362.7

Canadian Polar Commission

Strategic Outcome: Increased Canadian Polar Knowledge

Performance Indicators	Targets	2011–2012 Performance
Performance indicator to be developed by the Canadian Polar Commission		In 2011, the Board developed a new Strategic Plan that will guide the Commission over the next three years. Performance indicators that reflect this plan are under development

Program Activity	($ millions)					Alignment to Government of Canada Outcome
	2010–2011 Actual Spending	2011–2012				
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Research Facilitation and Communication	0.8	0.8	0.8	1.0	1.0	A clean and healthy environment
Total	**0.8**	**0.8**	**0.8**	**1.0**	**1.0**	

Internal Services

Program Activity	($ millions)				
	2010–2011 Actual Spending	2011–2012			
		Main Estimates	Planned Spending	Total Authorities	Actual Spending
Internal Services	0.2	0.2	0.2	0.3	0.3

Contribution to the Federal Sustainable Development Strategy

The Federal Sustainable Development Strategy (FSDS) outlines the Government of Canada's commitment to improving the transparency of environmental decision making by articulating its key strategic environmental goals and targets. AANDC ensures that the consideration of these outcomes is an integral part of its decision-making processes. AANDC contributes to the following FSDS themes as denoted by the visual identifiers and associated program activities below.

Theme I: Addressing Climate Change and Air Quality	3.3 Community Infrastructure 4.1 Northern Governance and People 4.2 Northern Science and Technology
Theme II: Maintaining Water Quality and Availability	3.3 Community Infrastructure 4.2 Northern Science and Technology
Theme IV: Shrinking the Environmental Footprint – Beginning with Government	6.1 Internal Services

AANDC is in compliance with the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*.

For additional details on AANDC's activities to support sustainable development and strategic environmental assessments, please see Section II of this report and AANDC's web page (http://www.aadnc-aandc.gc.ca/eng/1348774237926) on sustainable development. For complete details on the FSDS, please see Environment Canada's website (http://www.ec.gc.ca/dd-sd/default.asp?lang=En&n=C2844D2D-1) on sustainable development.

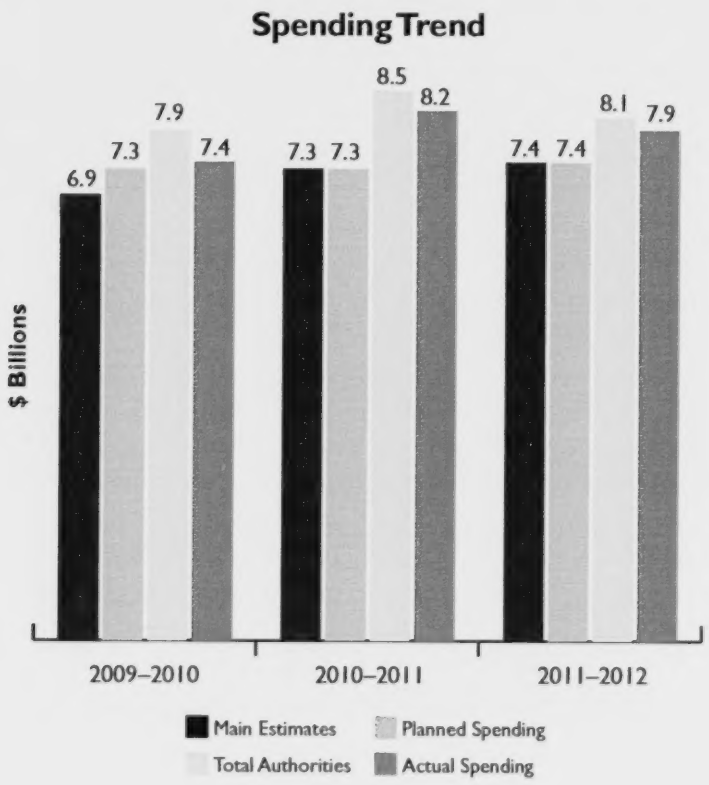
Expenditure Profile

Departmental Spending Trend

AANDC's Actual Spending for 2011–2012 was $7.9 billion. Overall, departmental spending has increased by about $0.5 billion or about 7% since 2009–2010. This net increase is primarily a result of the following major items:

- incremental funding for the settlement of specific claims;
- incremental funding to meet the demand for ongoing First Nation and Inuit programs and services (2% allowance for inflation and population growth);
- an increase for obligations related to the implementation of the Indian Residential Schools Settlement Agreement;
- incremental funding for on-reserve costs incurred by provincial/territorial or other emergency management organizations as required under the Emergency Management Assistance Program; and
- incremental funding provided in Budget 2008 and Budget 2010 for a new Federal Framework for Aboriginal Economic Development, enhancing education outcomes, expanding First Nation child and family services, and implementing the First Nations Water and Wastewater Action Plan.

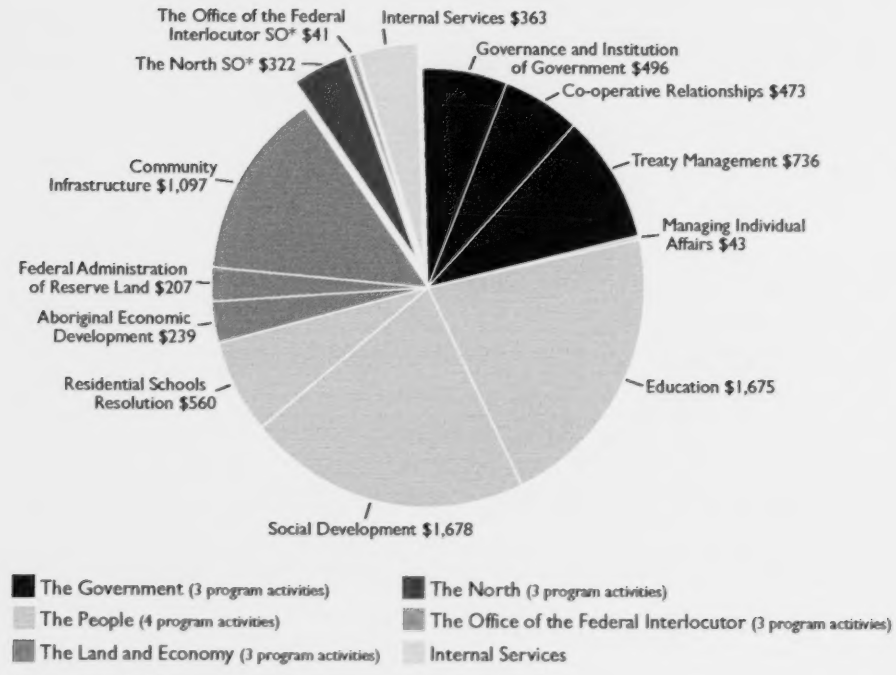
These increases were partly offset by the sunset of targeted funding provided through Canada's Economic Action Plan for First Nations housing and infrastructure and Arctic research infrastructure, as well as a reduction reflecting a one-time payment in 2009–2010 to the Quebec Cree to settle implementation issues in relation to the James Bay and Northern Quebec Agreement.



2011–2012 Actual Spending by Strategic Outcome

The Department's 2011–2012 actual spending of $7.9 billion is captured by five strategic outcomes ($7.6 billion covering 16 program activities), with the remaining $0.4 billion for the Internal Services program activity which supports all the strategic outcomes. It should be noted that The People strategic outcome makes up the largest portion of the funding ($4.0 billion or 50%) and includes the two largest program activities, Education and Social Development, each with funding at $1.7 billion. The Government strategic outcome accounts for a further 21% (or $1.7 billion) while The Land and Economy strategic outcome accounts for another 19% (or $1.5 billion). The remaining funding of $0.4 billion is allocated to The North, and the Office of the Federal Interlocutor strategic outcomes.

2011–2012 Actual Spending
Total $7,930 million



*SO = Strategic Outcome

Due to rounding, figures may not add up to total shown

Estimates by Vote

For information on AANDC's organizational votes and/or statutory expenditures, please see the Public Accounts of Canada 2012 (Volume II) (http://www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html).

Section II: Analysis of Program Activities by Strategic Outcome

STRATEGIC OUTCOME: THE GOVERNMENT

Good governance and co-operative relationships for First Nations, Inuit and Northerners

Program Activity 1.1: Governance and Institutions of Government

Program Description

The efforts related to this program activity assist in achieving social and economic vibrancy in First Nation and Inuit communities. It supports individual community and aggregate-based governments and governance systems by assisting them to establish effective governance and associated capacities, processes and mechanisms (such as bylaw-making authority, election processes). In particular, support is provided to First Nation and Inuit governments as well as their respective institutions of government. These institutions include, but are not limited to, those that provide services in the areas of governance, land claim organizations and professional associations. This program activity also provides support to representative organizations with respect to policy development and legislation.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
434.9	496.0	495.9	89.0	490.0	401.0

The difference between Planned Spending and Total Authorities primarily reflects additional resources reallocated during the year for Indian government support activities, consultation and the basic organizational capacity of Aboriginal organizations, as well as the realignment of program-specific support funding from the Internal Services program activity to more appropriately reflect the costs associated with delivering programs and services and achieving results in the Governance and Institutions of Government program activity.

For an explanation of variance of FTEs, see Section IV: FTE Variance by Program Activity.

Expected Results	Performance Indicators	Targets	Actual Results
Capable and accountable First Nation governments and institutions	Percentage of First Nations operating with a community plan and/or a plan to develop governance capacity	50% by March 31, 2012	100%
	Percentage of First Nations free of financial intervention as defined by the Department's Default Prevention and Management Policy[5]	70% by March 31, 2012	76%

[5] "Free of financial intervention as predefined by the departmental Intervention Policy" means First Nations who are not subject to any of the measures identified in the AANDC Default Prevention and Management Policy (formerly known as the Intervention Policy).

Performance Summary and Analysis of Program Activity

In 2011–2012, AANDC continued to make progress on governance. For example, AANDC exceeded its target of more than 70% of First Nations being free of financial management intervention. Of the 586 First Nations measured, 76% were not subject to any of the measures identified in the AANDC Default Prevention and Management Policy (formerly known as the Intervention Policy). The Governance Capacity Planning Tool was distributed to all First Nations and Tribal Councils, as it was posted on the departmental website, and a feedback form was developed and distributed.

In addition, the Department continued to explore options for a consolidated departmental approach to capacity. Together with consolidated Indian Government Support programming, these initiatives support capable, accountable and effective First Nations governance by assisting communities in the identification of gaps, prioritizing governance, and developing capacity.

To support the implementation of the new Default Prevention and Management Policy in 2011–2012, the Department invested $4 million in 85 high risk communities to develop and implement innovative approaches that addressed the root causes of their funding agreement defaults. These pilot projects were available to communities under intervention that were willing but financially unable to implement the activities identified in their action plans for moving out of intervention. The funding was directed primarily toward investments in policy and systems development, as well as specific training to reduce the risk of future defaults. These pilot projects demonstrated success through innovative community-based approaches ranging from small incremental changes in some communities, such as the development of a financial information system, to significant progress in other communities where the level of departmental intervention required was lowered. For example, after taking advantage of pilot project funding to provide training, the Fort McMurray First Nation now has qualified staff in place to manage its social development programming, which had previously been administered by a third-party service provider.

With respect to legislation and policy, the Department continued to place emphasis on supporting conditions that empower citizens. The impact of existing, pending and proposed legislative reform on the rights and freedoms of First Nation citizens continues to be studied. Bill C-27, the *First Nations Financial Transparency Act,* was introduced in the House of Commons on November 25, 2011 and is designed to enhance the financial transparency and accountability of First Nations governments. Bill S-6, the *First Nations Election Act,* was introduced in the House of Commons on December 6, 2011, and is intended to provide a strong, open and transparent election system as an alternative to the system under the *Indian Act.*

Finally, the Department continued to meet its obligations under the *Indian Act* concerning elections and law-making.

In partnership with the Assembly of First Nations, the Native Women's Association of Canada and the Congress of Aboriginal Peoples, the Department completed the assessment of First Nations community readiness for the implementation of the amendments to the *Canadian Human Rights Act* and prepared a report of this assessment, which was tabled in Parliament on June 16, 2011.

Program Activity 1.2: Co-operative Relationships

Program Description

This program activity addresses constitutional and historic obligations, reduces conflict through negotiation, and enables all parties to work together toward reconciliation. Co-operative Relationships are about mutual respect. They establish an atmosphere of trust, accountability and respectful partnerships among governments, First Nations and Inuit. This atmosphere, in turn, supports social, economic and cultural growth in First Nation and Inuit communities and increases their self-reliance. Co-operative Relationships are the basis for mutually reached resolution of claims and other rights issues. Through Co-operative Relationships, funds are provided to First Nations and Inuit in support of the activities within the program activity, including negotiation of claims and self-government agreements, and certainty is obtained over the ownership, use, and management of land and resources. First Nations and Inuit are effectively represented in federal policy decisions and the Crown's duty to consult is supported. Funds are transferred to Aboriginal recipients through contributions and loans agreements. Funding levels are determined based on proposals submitted by Aboriginal peoples and are based on program guidelines and terms and conditions.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
478.9	519.8	472.5	413.0	391.8	-21.2

The difference between Planned Spending and Total Authorities primarily reflects incremental funding provided through Supplementary Estimates for the settlement of specific claims, as well as reduced requirements for treaty-related measures reflecting the deferral of activities; the deferred funding that was not required in 2011–2012 has been reprofiled to 2012–2013 when it will be available for the intended purpose. The difference between Total Authorities and Actual Spending primarily reflects reduced loan requirements for First Nations involved in claims negotiations, as well as the deferral of certain specific claims for which negotiations were not concluded during the fiscal year; this deferred funding that was not required in 2011–2012 has been reprofiled to 2012–2013 when it will be available for the intended purpose.

For an explanation of variance of FTEs, see Section IV: FTE Variance by Program Activity.

Expected Results	Performance Indicators	Targets	Actual Results
Relationships between parties based on trust, respect, understanding, shared responsibilities, accountability, rights and dialogue	Percentage of productive active negotiation tables	90% of active tables by March 31, 2012	98.5%

Performance Summary and Analysis of Program Activity

The advancement of self-government and land claims negotiations with Aboriginal groups across Canada continues to provide key benefits to Canadians. Chief among them is greater legal certainty with respect to the use and ownership of land and resources that Canada's modern treaties provide, removing barriers to development in the interests of all Canadians. Furthermore, the negotiation of self-government agreements with Aboriginal groups helps to advance Aboriginal-Crown relations and provide the groups with the opportunities to make meaningful changes in their communities. To that end, Canada seeks to maintain productive relationships with Aboriginal claimant groups, leading to successful negotiations. In 2011–2012, of the 200 active negotiation processes assessed, 98.5% proved to be productive.

2011–2012 Negotiation Highlights:

- Final agreement stage reached with the Blood Tribe and the Sioux Valley Dakota Nation;
- Conclusion of the Framework Agreement on Self-Government for the Whitecap Dakota;
- Signing of the Umbrella Agreement between Canada, New Brunswick and the Mi'gmag Wolastoqiyik (September 9, 2011); and signing of a Land Claim and Self-Government Agreement-in-Principle between Canada, Newfoundland and Labrador, and the Innu of Labrador (November 18, 2011);
- Royal Assent received on December 1, 2011 for the *Eeyou Marine Region Land Claims Agreement Act*;
- Initialing of the Sliammon Final Agreement (October 21, 2011);
- Signing of the K'ómoks Agreement-in-Principle (March 24, 2012);
- Successful conclusion of Impact Benefits Agreements with five Tsimshian First Nations with respect to expansion of the Port of Prince Rupert;
- Continuation (Round Two) of tripartite treaty revitalization discussions to seek process-related ways to invigorate the British Columbia treaty process; and
- Approval and funding of 54 treaty-related measures with British Columbia First Nations for capacity-related initiatives.

The federal government continued to implement the *Justice at Last* initiative by making progress to improve the processing and negotiation of specific claims. During 2011–2012, the government addressed the significant backlog of claims in research and assessment in existence when the *Specific Claims Tribunal Act* came into force on October 16, 2008. Fiscal year 2011–2012 marked a change in focus on negotiating and settling accepted claims. In 2011–2012, of the 291 specific claims addressed, 10 were settled ($258.5 million), and 147 were accepted for negotiation. A formative evaluation of the Specific Claims Action Plan was completed in 2011. The evaluation found that the new time frame has accelerated the processing of specific claims and that *Justice at Last* is an appropriate and efficient process to achieve expected results.

The Department continued to lead the government's approach to consultation and accommodation and to assist departments/agencies in fulfilling the Crown's duty to consult with Aboriginal groups. It supported government priorities through the integration of Aboriginal consultation into new environmental assessment and regulatory processes. It developed tools to assist officials, such as the Aboriginal and Treaty Rights Information System, and the Consultation Information Service, a one-window access to the nature and location of Aboriginal and treaty rights. The Department launched enhanced training, developed policy approaches on key issues and operational guidance, while also providing file-specific advice. It promoted interdepartmental and intergovernmental coordination and consistency and developed and maintained partnerships with Aboriginal groups,

provinces/territories, and industry, including through the staffing of Regional Consultation Coordinators to strengthen regional cooperation, and the negotiation and implementation of Memoranda of Understanding and protocols, to support clear, coordinated and efficient consultation processes. Tripartite protocols have been implemented in Nova Scotia and finalized in New Brunswick and Prince Edward Island. The federal government is working on finalizing Memoranda of Understanding with Nova Scotia and Alberta.

An Impact Assessment of Aboriginal Self-Government was completed in March 2011. Using both quantitative and qualitative data, the assessment suggested self-governing First Nations have better education, employment and labour force outcomes, a renewed sense of pride in their governments and have established new relationships to foster socio-economic growth and progress in their communities.

Canada provides fiscal transfers to support self-governing Aboriginal communities and is seeking more effective, transparent and predictable fiscal arrangements. The Department achieved a key milestone in 2011–2012, completing engagement with over 60 negotiating groups and 23 Aboriginal governments on the development of a new formula-based approach to funding Aboriginal self-government.

Through the Inuit Relations Secretariat, AANDC continued to support the following:

- Working with Inuit youth organizations and Inuit governments (Nunatsiavut) on projects targeted to build capacity. For example, the National Inuit Youth Council held their annual general meeting and took formal governance training. They also developed NIPIIT Magazine, which increases knowledge of activities in Inuit communities related to youth, youth-specific programs in the regions, and increases the sharing of traditional knowledge;
- Representing the federal interest in the Inuit Education Strategy (overall initiative is being led by the Inuit Tapiriit Kanatami), which supports the strong emphasis on developing education systems based on an Inuit world view and culture, and the importance of a bilingual education (Inuktitut and either English or French); and
- Fostering relationships of eligible Inuit organizations with the federal government, developing the capacity of these organizations to deliver programs and services, and offering support for improving their financial and electoral accountability through the Basic Organizational Capacity Program.

Lessons Learned

On July 8, 2011, negotiation of the Final Agreement was concluded and initialed with the Blood Tribe in Alberta. However, the community ratification of the agreement held on December 14, 2012 was unsuccessful. In order to determine Canada's response to a potential request by the community to hold a second vote as well as to prepare for future ratification votes, the Department is preparing a "ratification best practice project" to review events and best prepare for future ratification activities.

On February 10, 2012, the Federal Court handed down its decision in the Sambaa K'e/Nahanni Butte judicial review regarding Canada's decision to postpone formal Section 35 consultation with these First Nations pending completion of an Agreement-in-Principle in the Comprehensive Claims negotiations with the neighboring Acho Dene Koe First Nations. The Court concluded that, in this instance, Canada's actions did not satisfy the honour of the Crown and that even though an Agreement-in-Principle does not create legal rights or affect other Aboriginal rights, Canada still has a duty to consult and to accommodate (where appropriate). Canada did not appeal this decision and is now altering its consultation to fulfill the court's decision.

An evaluation of the Inuit Relations Secretariat was conducted in 2011. The evaluation noted the need to establish clear criteria for the selection of projects and to develop a tool to better measure the impacts of its advocacy work. Based on recommendations, the Inuit Relations Secretariat has

developed a preliminary Performance Measurement Strategy which will serve to provide clear criteria on tracking, analyzing and measuring results and also meets current Departmental standards, clarifies its expected outcomes, and continues to take into account the priorities of both the federal government and Inuit.

The formative evaluation of the Specific Claims Action Plan concluded that the *Justice at Last* initiative is achieving its intended results and is appropriately designed to achieve government objectives. Nonetheless, the formative evaluation made four recommendations: (1) Consider extending the three-year operational model for negotiations; (2) Ensure that First Nations whose claims do not meet minimum standard receive appropriate feedback; (3) Communicate more effectively the purpose and availability of mediation services; and (4) Communicate more effectively the process for claims over $150 million in value. A management response action plan to address each of these recommendations has been developed and implemented.

Program Activity 1.3: Treaty Management

Program Description

By working in partnership, federal, provincial/territorial governments and Aboriginal parties are able to create and maintain the necessary structures to support ongoing and evolving relationships within a historical and modern context. Key activities include: the implementation of land claims and self-government agreements; special claims; comprehensive land claim transfers; Treaty Tables; and Treaty Commissions. The Treaty Commissions provide funds by way of contributions to recipients. Although all Canadians are expected to benefit from the settlement and implementation of Comprehensive Land Claim Agreements, the primary beneficiaries are expected to be First Nation and Inuit communities, which will be better able to articulate their interests, participate in land and resource development and management (where applicable). This will demonstrate the importance of treaties and the treaty relationship between the Crown and Aboriginal people. Funds are provided to the beneficiaries in the form of grants as per settlement agreements.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
711.3	735.9	735.7	7.0	88.0	81.0

The difference between Planned Spending and Total Authorities primarily reflects incremental funding provided/reallocated through Supplementary Estimates for: implementation of the Eeyou Marine Region Land Claim Agreement; delivery of educational programs and services to participating First Nation communities with respect to Mi'kmaq education in Nova Scotia; acquisition of fisheries licences for Maa-nulth First Nations; and, acquisition of commercial crab licences for the Tsawwassen First Nation.

For an explanation of variance of FTEs, see Section IV: FTE Variance by Program Activity.

Expected Results	Performance Indicators	Targets	Actual Results
Creation and maintenance of ongoing partnerships to support historical and modern treaty structures	Percentage of initiatives or structures established to support historical and modern treaty relationships	75% of initiatives or structures established and 75% of one-time obligations completed by March 31, 2012	100% of structures established and 100% of historical treaty structures (i.e. treaty Tables and Commissions) in place 82.2% of one-time obligations completed

Performance Summary and Analysis of Program Activity

The Treaty Commissions in Manitoba and Saskatchewan were established by the Department in partnership with provincial Aboriginal organizations (Association of Manitoba Chiefs and Federation of Saskatchewan Indian Nations) to provide a neutral third party that assists the parties in understanding the relationship-building process, promotes relationships among all Canadians, coordinates independent and focused research on treaty issues to assist the parties as well as engaging in public information and public awareness programming to educate and advance good relations among all Canadians on treaty issues.

Over the past couple of years, AANDC, together with our federal partners, has been working to develop a series of guidance documents, as well as monitoring and reporting tools, to ensure federal implementers are aware of and able to fulfill their legal obligations. One such tool is the *Guide for Federal Implementers of Comprehensive Land Claims and Self-Government Agreements*. This guide was noted in the latest Clerk's report to the Prime Minister on the Public Service.

AANDC has also developed the *Guide for the Management of Dispute Resolution Mechanisms in Modern Treaties* and a Federal Implementer's *Guide to Reviews in Self-Government and Comprehensive Land Claim Agreements*. Additionally, guides on annual reports and contracting and procurement are in development and the Treaty Obligation Monitoring System (TOMS) will be rolled out to federal departments this year. The TOMS is an electronic web-based platform that allows officials to monitor Canada's obligations and also serves as an internal tool to keep track of and report on the status of the obligations.

In 2011–2012, TOMS went "live" within AANDC and will soon become accessible to other federal departments. Initial feedback from system users notes its ease of use and ability to provide an immediate snapshot of the status of obligations.

Work also continues online through which federal departments report on their contracting and procurement activities in land claim areas. More than 1,700 federal employees from across many departments have attended learning sessions on procurement practices related to land claim areas.

Lessons Learned

In order to better monitor our treaty obligations, TOMS was developed.

Also, AANDC is currently doing internal work to develop options on how best to respond to commitments made in the 2011 Canada–Assembly of First Nations Joint Action Plan and during the January 2012 Crown–First Nations Gathering. This includes engagement with Treaty First Nations on the future of historic treaty relations to confirm areas of common ground and to develop concrete options to reinvigorate treaty relationships.

STRATEGIC OUTCOME: THE PEOPLE

Individual, family and community well-being for First Nations and Inuit

Program Activity 2.1: Education

Program Description

This program activity provides First Nation and Inuit communities with tools to achieve educational outcomes. AANDC has primary responsibility under the *Indian Act* for the elementary and secondary education of Status Indians living on reserve. As a matter of social policy, AANDC also supports on-reserve Status Indian students and Inuit students in their pursuit of post-secondary education. Support provided through the Education programs includes provisions for instructional services and special education services as well as targeted initiatives that aim to enhance First Nation education management, improve teacher recruitment and retention, and encourage parental and community engagement. Newly targeted funds have been recently included to improve the provision of elementary and secondary education services through both a partnership and a student success program.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
1,657.2	1,677.6	1,675.0	227.0	276.6	49.6

The difference between Planned Spending and Total Authorities relates primarily to the reallocation of resources, mainly from Community Infrastructure, to meet increased demand for education programs and services. In addition, incremental funding was provided through Supplementary Estimates to support tripartite education agreements with First Nations in British Columbia and to advance readiness for education comparability in other provinces through the Education Partnerships Program. The difference between Total Authorities and Actual Spending primarily reflects a deferral of funding for the Education Information System project; this deferred funding has been reprofiled to 2012–2013 when it will be available for the intended purpose.

For an explanation of variance of FTEs, see Section IV: FTE Variance by Program Activity.

Expected Results	Performance Indicators	Targets	Actual Results
First Nations and Inuit achieve levels of education comparable to other Canadians	Percentage of high school graduates among First Nation students ordinarily resident on-reserve*	A target setting exercise took place in Winter 2011. The target set was an increase of 8% over five years (from 2011–2012 to 2016–2017).	High school graduation rates for 2011–2012: 35.39%
	Average age at high school graduation for First Nation students ordinarily resident on-reserve*	This target will be reviewed once the Education Information System (EIS) system is fully implemented to ascertain whether this target, or others, would better capture the expected result.	Average age at high school graduation: 19.8 years
	Number of First Nations and Inuit students funded through the Post-Secondary Student Support Program who graduate with a post-secondary degree/diploma/certificate (by age group, gender and region) First Nations and Inuit post-secondary educational attainment rate as measured by the percentage of First Nation and Inuit population with post-secondary certification (by gender, age group, region and compared to all Canadians)* *Note: This indicator will only be available once the EIS is implemented in 2012.*	Data for this indicator will begin to be collected in 2012–2013. Once data are available, a target setting exercise will take place to determine measurable and realistic post-secondary graduation/certification rates by programs. Target under development awaiting Census 2011 results.	Data for this indicator will begin to be collected in 2012–2013.

** Adjustments have been made to the indicators in 2011–2012 to ensure better alignment with the Education Performance Measurement Strategy.*

Performance Summary and Analysis of Program Activity

The graduation rate for Grade 12 (Grade 11, in Quebec) First Nation students ordinarily resident on reserve was 35.39% in 2010–2011. While this represents an increase of 2% from 2009–2010, this is an area that requires improvement. As a result, in Budget 2012, the government committed to implementation of new legislation for elementary and secondary education in 2014.

To support the goal of increasing graduation rates, in 2011–2012, the Department continued implementing key programs such as the First Nation Student Success Program (FNSSP) to assist First Nation students in progressing through elementary and secondary education. FNSSP focused on improving student literacy, numeracy and retention and had a participation rate of 90% of band-operated schools. Furthermore, it included 98% of students in band-operated schools after four rounds of funded proposals.

Progress was made on the design and development of the Education Information System (EIS). The EIS will improve the ability of the Department to track and report to Canadians — and to First Nations, specifically — on education programs and outcomes. Some challenges have been encountered along the way in developing this innovative new data system, most notably in ensuring that it will meet stakeholder and user community requirements. However, EIS is on track to begin implementation by September 2012.

To support improvements in First Nation education, the British Columbia Tripartite Education Framework Agreement was signed by AANDC, the Ministry of Education for British Columbia and the First Nations Education Steering Committee in January 2012. Its goal is to provide British Columbia First Nation students with access to quality education programs, whether they attend school on or off reserve. This agreement formalizes and enhances the previously existing partnership in British Columbia and constitutes a new approach for the delivery of elementary and secondary education for First Nations in the province. It is expected that work will continue on the development of new education partnerships in Quebec, Ontario, Newfoundland and Labrador and on deepening existing partnerships.

This year was a significant one for advancements in education reforms. The National Panel on First Nation Elementary and Secondary Education for Students on Reserve presented its final report to the AANDC Minister and the National Chief of the Assembly of First Nations in February 2012, outlining recommendations to enhance education outcomes for First Nation children. Commitments to education were discussed at the historic Crown–First Nation gathering, in January. Finally, Budget 2012 announced new investments to improve First Nation education, a commitment to have in place a First Nation Education Act by September 2014, and the exploration of funding options and new investment to help ensure readiness for the new First Nations education system to be outlined in legislation.

In the area of post-secondary education, the Department updated the Post-Secondary Student Support Program guidelines for 2012–2013 to clarify requirements and expectations from recipients and to improve the quality of the data reported.

Lessons Learned

In 2011–2012, the Department examined evidence on ways to improve First Nation education from a number of other reports[6].

In response to the recommendations from the National Panel on First Nation Elementary and Secondary Education and other key reports, the Government of Canada announced its intention to have a First Nation Education Act in place by September 2014.The purpose of the Legislation will be to establish structures and standards to support strong and accountable education systems on reserve. This will set the stage for more positive education outcomes for First Nation students.

[6] Reports include the Report of the National Panel on First Nation Elementary and Secondary Education for Students on Reserve (Nurturing the Learning Spirit of First Nations Students, February 2012); the Report of the Standing Senate Committee on Aboriginal Peoples (Reforming First Nations Education: From Crisis to Hope, December 2011); and the Status Report of the Office of the Auditor General of Canada (Chapter 4 — Programs for First Nations on Reserves, June 2011).

Program Activity 2.2: Social Development

Program Description

Supports the provision of: income assistance to meet basic needs for food, clothing and shelter to ensure the safety and well-being of individuals and families consistent with provincial programs and standards; First Nation child and family services to improve their well-being and security; assisted living for social support services of a non-medical nature, such as in-home care, short term respite care, foster care and institutional care, to improve their well-being and security; Family Violence Program to improve safety and security, particularly of women and children at-risk; National Child Benefit Re-investment to support low-income families with children to help prevent or reduce the depth of child poverty; and other social services to build self-reliant, sustainable, healthy and stable First Nation communities.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
1,565.5	1,678.1	1,678.0	74.0	125.0	51.0

The difference between Planned Spending and Total Authorities relates primarily to the reallocation of resources, mainly from Community Infrastructure, to meet increased demand for social development programs and services. In addition, incremental funding was provided through Supplementary Estimates for the First Nation Child and Family Services Program to implement a prevention-focused approach in Manitoba.

For an explanation of variance of FTEs, see Section IV: FTE Variance by Program Activity.

Expected Results	Performance Indicators	Targets	Actual Results
First Nation individuals and families are self-sufficient, secure and safe within supportive, sustainable communities	Community Well-Being Index (CWB) for First Nations and Inuit	Increase the percentage of First Nation communities with positive change in rating in the CWB (employment, income, education and housing sub-indices)	Refer to the description of the CWB in Section I: Measuring AANDC Strategic Outcomes

Performance Summary and Analysis of Program Activity

In the past year, AANDC worked in key priority areas to help First Nation families to become self-sufficient, safe and secure.

To support the transition of income assistance recipients into the labour force, AANDC worked to support greater implementation of active measures. Active measures involve moving from passive income assistance support to comprehensive case management for clients with supports and services for essential skills and pre-employment training. This approach also helps support the most vulnerable while helping individuals take advantage of employment and business development opportunities. AANDC also focused on developing and encouraging partnerships among First Nations, provinces, educational institutions, actual and potential employers and others. Tripartite agreements with Quebec and Saskatchewan were sustained and discussions with Alberta towards a similar arrangement were initiated. AANDC also worked to achieve better alignment of labour market development programs with a commitment to Income Assistance reform in partnership with Human Resources and Skills Development Canada.

In 2011–2012, AANDC continued to guide the First Nation Child and Family Services (FNCFS) program towards implementation of the Enhanced Prevention Focused Approach (EPFA) in six jurisdictions. The EPFA supports culturally appropriate enhanced prevention and protection services to First Nation children ordinarily resident on reserve. AANDC worked with both the province of British Columbia and FNCFS agencies to align them with program authorities in preparation for the move to the EPFA. Discussions were reinitiated with First Nations and the province of New Brunswick; preliminary discussions began in the Yukon on moving to enhanced prevention, and work with the province of Manitoba was undertaken to develop a joint child welfare funding guide to further support implementation of the EPFA. The Department continues to collaborate with stakeholders in having all jurisdictions transition to the EPFA by 2014–2015.

In 2011–2012, the FNCFS Information Management System Project gathered system requirements, engaged with funding recipient representatives, and completed a software development plan. It also finalized project governance documentation to facilitate system design and development, which will commence in 2012–2013. Once implemented, the system will facilitate effective ongoing program management and reporting on program performance.

AANDC also worked with partners to implement Jordan's Principle to ensure that services to First Nation children with multiple disabilities continue, even in the event there is a dispute between federal and provincial governments concerning the responsibility for and payment of the services. In 2011–2012, AANDC worked with federal, provincial and First Nation partners across the country to address potential cases as they arose and to develop dispute resolution processes in four jurisdictions. Notably, in late 2011, the Government of Canada, Government of New Brunswick, and First Nations Chiefs completed a joint statement on the implementation of Jordan's Principle that outlines a case conferencing and dispute resolution process.

The Family Violence Prevention Program continued to support a network of 41 shelters, as well as proposal-based prevention projects, to improve safety and security, particularly of women and children at risk.

AANDC continued to work with all its partners, including Health Canada, the provinces and First Nations, to identify opportunities to improve outcomes for individuals receiving funding for services under the Assisted Living Program. The Department and its partners also strove to ensure efficiencies between complementary programs available through these partners.

Underlining all of these achievements was an update of the Management Control Framework for Social Development programs. This Framework provides the tools, processes and procedures required to achieve national consistency in the delivery of the social programs described above.

Lessons Learned

A mid-term national review of the implementation of the EPFA was completed in September 2011. It found that AANDC's move towards prevention programming through the EPFA remains strongly relevant and is in line with government priorities.

An evaluation of the Family Violence Prevention Program found that a more strategic approach is needed for prevention activities and planning. Opportunities to leverage the program with related activities from other Departments should be explored. AANDC will continue to work with regions on approaches to distribute prevention funds more strategically. In addition, AANDC will continue to participate in the federal Family Violence Initiative, and through the joint Health Canada/AANDC committee on collaboration, strengthen linkages between on-reserve programs.

Program Activity 2.3: Managing Individual Affairs

Program Description

The Managing Individual Affairs program activity ensures responsible Federal stewardship of the provisions of the *Indian Act* that pertain to Estates, Band moneys, registration and Band membership through direct client-services as well as partnerships with First Nations to deliver select services, including the administration of Estates and the Indian Registration Program. The program activity is also responsible for administering the portions of the *First Nations Oil and Gas and Moneys Management Act* that pertain to Indian Moneys.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
27.4	44.2	43.3	268.0	296.3	28.3

The difference between Planned Spending and Total Authorities primarily reflects additional resources reallocated during the year for registration administration, as well as the realignment of program-specific support funding from the Internal Services program activity to more appropriately reflect the costs associated with delivering programs and services and achieving results in the Managing Individual Affairs program activity. The difference between Total Authorities and Actual Spending primarily reflects deferred funding for registration administration provided pursuant to the Gender Equity in Indian Registration Act; *this deferred funding that was not required in 2011–2012 has been reprofiled to 2012–2013 when it will be available for the intended purpose.*

For an explanation of variance of FTEs, see Section IV: FTE Variance by Program Activity.

Expected Results	Performance Indicators	Targets	Actual Results
Federal stewardship of the legislative, administrative and treaty obligations for which AANDC is responsible	Delivery of services within established service standards related to registration, membership, estates, treaty annuities and moneys as per the *Indian Act* and other related acts and regulations, as demonstrated by the results in the sub-activities	90% of Indian money disbursements meet established processing standards (increase of 1% per year) by March 31, 2012	96% (23 of 24)
		75% compliance with the established service standards of the Estates program policy by March 31, 2011	100% responses to (11 of 11) requests for decedent estates and (23 of 23) requests
		100% of treaty events requested held by March 31, 2012	100%
		100% of band requests accommodated by March 31, 2012	100%

Performance Summary and Analysis of Program Activity

In 2011–2012, AANDC continued to deliver the Secure Certificate of Indian Status (SCIS) to eligible applicants. The SCIS application process was available at 13 intake offices across Canada (including four intake offices for the newly created Qalipu band in Newfoundland), this represents an expansion from three intake offices in the previous year. The Department issued 24,939 SCIS during the year, more than double the number issued in 2010–2011.

The AANDC response to the *Gender Equity in Indian Registration Act* saw dedicated application processing units established in Winnipeg, Quebec City and in the National Capital Region. In 2011–2012, 18,000 applicants were added to the Indian Register as a result of the provisions of this Act. This is in addition to the 638 applicants that were registered in 2010–2011.

During 2011–2012, the Department made significant progress in modernizing policies and procedures to simplify and standardize processes for the administration of Indian registration, estates and Indian moneys. This included developing and introducing new, overarching policies and operational directives in the Office of the Indian Registrar, strengthening front-end processes for analyzing capital moneys expenditure requests, and introducing a guide for family members administering the estates of loved ones.

Lessons Learned

The *Gender Equity In Indian Registration Act* application processing units faced workload constraints which resulted in application processing of the service standards not being met. The *Registration Backlog Action Plan* was developed identifying streamlined processes, adjustments to the organizational structure, a stronger emphasis on workload assignments, new performance expectations of processing officers, as well as the establishment of enhanced service standards. The introduction of a new delegation of authority instrument reduced application processing steps in the Winnipeg Processing Unit, resulting in an increase in average individual productivity from seven to twelve files a day. These initiatives all contributed to the operational target of 18,000 applications to be processed by year-end of 2011–2012 being met.

As a result of the first wave of implementation in the 13 intake offices, SCIS increased its productivity in the third and fourth quarter of 2011–2012, and has developed processing roadmaps designed to further enhance effectiveness in the issuance of SCIS as it prepares to roll out nationally in the third quarter of 2012–2013.

Program Activity 2.4: Residential Schools Resolution

Program Description

Indian residential schools were mostly operated by four religious denominations and funded by the federal government, from before Confederation to 1996. Courts in each jurisdiction approved the Indian Residential Schools Settlement Agreement (IRSSA), which was implemented on September 19, 2007.

The administration of the IRSSA seeks further reconciliation with former student residents of Indian residential schools, their families and communities by providing: financial compensation (following validation of their residency and an independent assessment of more serious harms they may have suffered), a disclosure forum and the provision of healing and commemorative services.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
391.1	567.8	560.3	475.0	472.6	-2.4

The difference between Planned Spending and Total Authorities primarily reflects incremental funding provided through Supplementary Estimates for awards to claimants resulting from the Independent Assessment Process and Alternative Dispute Resolution, including other settlement agreement costs that directly benefit claimants. The difference between Total Authorities and Actual Spending primarily reflects the deferral of certain commemoration projects that could not be completed this fiscal year; this deferred funding that was not required in 2011–2012 has been reprofiled to 2012–2013 when it will be available for the intended purpose.

For an explanation of variance of FTEs, see Section IV: FTE Variance by Program Activity.

Expected Results	Performance Indicators	Targets	Actual Results
IRSSA is well managed to contribute to a fair resolution of Indian residential schools	Percentage of applications/claims responded to within the IRSSA service standards	Number of applications/claims addressed within service standards (March 31, 2013)	
		80% of Common Experience Payment (CEP) simple applications completed within the 28-day service standard	94% (1207 of 1284)
		100% reconsideration requests completed within the 150 days service standard	99% (836 of 841)
		Independent Assessment Process (IAP)	
		80% standard track document packages disclosed to the Adjudication Secretariat within the 165 day service standard	88% (4218 of 4792)
		80% IAP represented claimants paid within 20 days after the decision review period	84%
		100% hearings attended by Canada	100% (3,841)

Performance Summary and Analysis of Program Activity

AANDC continued to fulfill its obligations under the IRSSA and to promote reconciliation with Aboriginal people, and between Aboriginal and non-Aboriginal people. As of March 31, 2012, $1.599 billion out of the $1.9 billion Designated Amount Fund (84.1%) was disbursed to pay 77,990 out of an estimated 80,000 (97.5%) former students who resided at a recognized Indian Residential School. Of this, $19.7 million was paid to 1,055 former students in 2011–2012 alone. September 19, 2011 marked the CEP application deadline. As per the IRSSA, CEP applications are being accepted until September 19, 2012 in cases of disability, undue hardship and exceptional circumstances, but must include a written reason for the delay. By the end of 2011–2012, 391 exceptional circumstances applications had been received.

Once all CEPs are made, should more than $40 million remain in the trust, a maximum of $3,000 in the form of personal credits for educational purposes will be distributed to each eligible CEP recipient who applies. On January 27, 2012, the Courts approved a governance model for the development of terms and conditions for personal credits, including the appointment of three education experts (Canada, Assembly of First Nations and Inuit representatives). The appointment of the expert in class action settlement administration is pending.

An Independent Assessment Process Notice Plan, to remind former students of the September 19, 2012 IAP application deadline, was launched on March 24, 2012. As of March 31, 2012, 23,774 IAP claims had been admitted, 90% more than the 2006 forecast. Since there was no precedent for this type of class action, academic studies were used to estimate the number of IAP claims. These studies indicated that the rate of abuse in boarding schools and other types of residential settings was approximately 15%. Based on the estimate that approximately 80,000 former students were alive in 2005, the forecast number of IAP applications was approximately 12,500. The current forecast of IAP applications is 29,700, with approximately 27,200 admitted.

In 2011–2012, the IAP held 3,841 hearings (including 59 re-openers), successfully reached its target of 3,600 to 4,000 hearings held during the year, for a total of $400.6 million paid in claims.

On average, 320 hearings were held per month in 2011–2012, an increase of 30 hearings per month compared to the previous fiscal year average. By the end of 2011–2012, 13,239 IAP claims were resolved, representing almost 56% of all claims admitted into the IAP. The average amount paid, including legal costs, was $118,260. This is well above the anticipated average of $86,000 which was based on the Alternative Dispute Resolution process. Since the implementation began in 2007, a total of 12,734 hearings have been held, totaling $1.486 billion.

Lessons Learned

Whereas current federal policies (including AANDC's) are designed and appropriate for larger, longer-term initiatives, the Indian Residential Schools Adjudication Secretariat (IRSAS) (administrator of IAP) has a rather specific and time-limited mandate. AANDC has addressed some of the Chief Adjudicator's administrative concerns. Strategies used included: increased dedicated resources from human resources, simplified administrative staffing processes, short-term, dedicated resources from Resolution and Individual Affairs/IRSAS, procurement plan Memorandum of Understanding and implementation of Electronic Data Interchange, Business Process Improvements project managers hired by Chief Information Officer. The Chief Adjudicator expressed his appreciation for the resolution of issues.

The first court ruling resulting from a challenge to Canada's decision not to add new Indian residential schools through requests submitted under Article 12 of the IRSSA was issued in August 2011 adding Stirland Lake and Cristal Lake high schools to the Indian residential schools list. Outstanding court challenges create a possible risk that there will be further additions to the schools list and that the Courts may order that IRSSA timelines be revisited and adapted for each individual case.

As part of work undertaken with respect to Business Process Improvement, a three month Negotiated Settlement Process (NSP) pilot project was started in the fall of 2011 and implemented permanently in January, 2012. The pilot project introduced new service standards in the NSP at points within Canada's control, as well as improved tools for use within the process. As a result of this project, Canada is now able to meet a service standard of 62 days instead of 128 days. Improvements in efficiencies gained during the project, and adopted as standard procedure since, have enabled the NSP team to exceed its target by 24% from 504 projected NSPs for 2011–2012 to 624 actual negotiated settlements. As a result, the yearly target has been increased to 624 for 2012–2013.

STRATEGIC OUTCOME: THE LAND AND ECONOMY

Full participation of First Nations, Inuit and Métis individuals and communities in the economy

Program Activity 3.1: Aboriginal Economic Development

Program Description

This program activity recognizes the synergies between economic development, land activities and business development. It recognizes that the federal government has a role to play in creating the conditions that will foster Aboriginal economic development. As AANDC does not hold all the economic levers, it must forge strategic partnerships with other levels of government, the private sector, Aboriginal organizations and other stakeholders to succeed in increasing the participation of Aboriginal Canadians in the economy. The supporting plans and actions under this program activity contribute to the expected results: viable Aboriginal businesses and opportunity-ready communities. Strengthening business development capacity tools will encourage Aboriginal Canadians to start and/or expand their own businesses, thereby contributing to viable Aboriginal businesses. Increasing access to and control of Aboriginal lands and natural resources, and building community/institutional capacity, will enable Aboriginal communities to fully use their assets for economic development, contributing to opportunity-ready communities. The growing Aboriginal land and resource base will also increase economic opportunities for Aboriginal communities, contributing to an increased number of Aboriginal start-up businesses.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
252.3	320.4	239.2	355.0	459.1	104.1

The difference between Planned Spending and Total Authorities primarily reflects the carry-forward from previous years of funding for loans and guarantees of loans through the Indian Economic Development Account, as well as the realignment of program-specific support funding from the Internal Services program activity to more appropriately reflect the costs associated with delivering programs and services and achieving results in the Aboriginal Economic Development program activity, offset by reduced requirements for the development/activation of community assets. The difference between Total Authorities and Actual Spending primarily reflects the carry-forward to future years of funding for loans and loan guarantees through the Indian Economic Development Account.

For an explanation of variance of FTEs, see Section IV: FTE Variance by Program Activity.

Expected Results	Performance Indicators	Targets	Actual Results
Viable Aboriginal businesses	Survival rate for Aboriginal businesses that receive a financial contribution from the Aboriginal Business Development Program	90% after one year, by March 31, 2012 70% after two years, by March 31, 2013 38% after three years, by March 31, 2014	94% after one year
	Percentage of Aboriginal procurement relative to total federal procurement spending	2% by March 31, 2012	3%
Opportunity-ready communities	Rate of growth for First Nation and Inuit communities' revenues generated through economic development	Rate of growth higher than the rate of inflation by March 31, 2012	Data are not available to report on this indicator[7]

Performance Summary and Analysis of Program Activity

In support of Aboriginal Economic Development in 2011–2012, AANDC's key activities and results included:

- Investing $23.3 million, in both prospective and existing Aboriginal businesses, toward 246 business planning and advisory service projects, as well as 241 projects to establish, acquire and expand a business. This direct investment included $4.6 million in support of 17 Aboriginal major resource projects across Canada that leveraged $1.1 million through partnerships with the private sector and Aboriginal organizations. In addition, AANDC contributed $3 million to co-capitalize the Nunavut Resource Corporation Major Resource Project Investment Fund in support of major resource infrastructure projects in Nunavut, leveraging an additional $2.6 million from private sector and Inuit partners. AANDC also re-invested $4.9 million in the Aboriginal Financial Institution network to further facilitate access to developmental lending capital for Aboriginal businesses.
- Developing and negotiating a new operational funding formula for the First Nations Lands Management Regime, and implementing a transparent prioritization methodology which helped expand the Regime by 18 new First Nations. AANDC also focused on strengthening the legislative and regulatory framework for commercial and industrial development on reserve by supporting two additional First Nations in the development of project-specific regulations under the *First Nations Commercial and Industrial Development Act,* and worked closely with these First Nations to develop regulations that will provide legal certainty to attract investment, valued in the millions of dollars, onto reserve lands.
- Assisting close to 400 new Aboriginal businesses in registering on the Aboriginal Business Directory; enabling them to access Federal government procurement contracting opportunities, pursuant to the Federal Procurement Strategy for Aboriginal Business. The latest results indicate that 101 contracts (all valued at over $25,000) were set aside for Aboriginal businesses, totaling $59.9 million in Aboriginal procurement. In addition, a total of 664 other contracts valued at over $25,000 and 4,469 valued at under $25,000 (a combination of set aside and non set aside contracts), combined for an additional $521 million in procurement for registered Aboriginal businesses. In addition, AANDC implemented pilot agreements with Aboriginal partners in British Columbia and Nova Scotia in support of the $33 billion National Shipbuilding Initiative, to further facilitate Aboriginal participation in major procurement opportunities.
- Supporting an inaugural Aboriginal Entrepreneurs Conference and Tradeshow, that showcased Aboriginal entrepreneurs and their businesses to over 200 participants. Following the conference,

[7] Financial information submitted by First Nation communities to the Department does not distinguish between revenues derived through economic development and other non-economic development revenues.

a legacy website (http://www.workbay.net/indigenous) and web-based e-mentoring platform (http://ac.ideaconnector.net/) were successfully launched. Due to its success, planning and organization has commenced for a second conference in 2012–2013.

- Amending the *First Nations Land Management Act* to strengthen the regime by expediting the processes to enact environmental laws; excluding land from a land code when it is uncertain whether the particular land forms part of the reserve; removing uncertainty as to the date the land codes come into force and bringing clarity to the schedule of the Act. Taken together, these proposed amendments remove identified legislative barriers that prevent or delay First Nations from taking full advantage of the benefits of assuming land management responsibility under the *First Nations Land Management Act*.
- Supporting strengthened management and regulation of oil and gas development on reserve lands by collecting, on behalf of First Nations (through Indian Oil and Gas Canada), $253.9 million — including $35.3 million collected under clause 5.08 of the Saskatchewan Treaty Land Entitlement Agreement — from oil and gas operations conducted on reserve lands.
- Investing over $14 million (through AANDC's Strategic Partnerships Initiative), in support of 79 projects in key resource sectors, and leveraging $7.1 million from federal and $69.6 million from non-federal sources. In particular, investments in the Ring of Fire assisted communities in preparing for economic and employment opportunities associated with mineral and infrastructure developments. Federal funding facilitated capacity building, negotiations, as well as employment and training. Investments have also resulted in various energy developments across the country, the Atlantic Commercial Fisheries Diversification Initiative, and important work in bio-energy and value-added wood products as part of the Aboriginal Forestry Initiative.
- Investing $55 million to support 560 First Nations/Inuit communities to enable recipients to carry out community economic development planning and capacity development initiatives, develop proposals and lever financial resources, and carry out economic development activities. In addition, $33.5 million in targeted investments were made to fund 160 First Nations and Aboriginal organizations to support the activation of the community's economic asset, and the delivery of support services to First Nation and Inuit communities. This included contributions totaling $10.4 million to four community economic infrastructure projects that leveraged $13.7 million from the private sector. These targeted investments are expected to generate in excess of $450 million in community economic benefits over the following eight years.
- Investing $9.7 million to support 82 First Nations with the Reserve Land and Environment Management Program, a program that develops the land management capacity of participating First Nations so that they efficiently administer land management provisions on-reserve on behalf of the Minister. In 2011–2012, the program welcomed 14 new entrants.

Lessons Learned

Feedback from external engagement and findings from program audits and evaluations[8] indicate that the objectives and funding of existing programs must change to better align with the priorities of the Federal Framework for Aboriginal Economic Development and respond to the changing needs, conditions and opportunities of clients. Existing community economic development and land management programs allocate funds based on outdated funding formulas that fail to account for geographic issues, economic infrastructure challenges and emerging opportunities. In addition, training and capacity building programs for land and economic development managers need to be more accessible and responsive to the needs of students and their communities. Individual assessments are now

[8] Reports include the 2011 June Status Report of the Auditor General of Canada — Chapter 4 — Programs for First Nations on Reserves; an Audit of the Economic Development Program (Non-proposal Driven); and, a Summative Evaluation of AANDC's Economic Development Programs.

being undertaken to determine the appropriate level of training required by participants and on-line courses are being developed and implemented.

Experience with the Strategic Partnerships Initiative to date has shown that the early rush to address all natural resource sectors equally led to a lack of focus on key major opportunities, regardless of sector, that are emerging across the country. Future directions for Strategic Partnerships Initiative governance will consider ways of addressing these issues.

Program Activity 3.2: Federal Administration of Reserve Land

Program Description

The program activity Federal Administration of Reserve Land encompasses the Crown's statutory and fiduciary obligations as the administrator of reserve lands held in trust for the use and benefit of First Nations. Those obligations are fulfilled through the timely response to requests for land transactions and activation of land and resource assets, additions to reserve, environmental protection performed with due diligence which preserves the principles of communal use and benefit while meeting the aspirations of First Nations in building safe, healthy and successful communities.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
37.8	208.0	207.3	123.0	156.2	33.2

The difference between Planned Spending and Total Authorities primarily reflects additional funding provided through Supplementary Estimates for on-reserve costs incurred by provincial/territorial or other emergency management organizations as required under the Emergency Management Assistance Program and the assessment, management and remediation of federal contaminated sites, offset by reduced funding reflecting the deferral of activities associated with the implementation of treaty land entitlement in Saskatchewan. Specifically, payments to the Saskatchewan Association of Rural Municipalities and to the Province of Saskatchewan for compensation for the loss of their tax base as a result of the settlement of treaty land are not required in 2011–2012 due to delays in the transfer of lands to reserve status; this deferred funding that was not required in 2011–2012 has been reprofiled to 2012–2013 when it will be available for the intended purpose. The difference between Total Authorities and Actual Spending primarily reflects reduced funding requirements for additions to reserve.

For an explanation of variance of FTEs, see Section IV: FTE Variance by Program Activity.

Expected Results	Performance Indicators	Targets	Actual Results
Land designated for economic development purposes	Percentage of designations completed within service standard	50% by March 31, 2012	53%
Timely administration of reserve land and resource activities	Service standards met (10 days for registration at headquarters)	90% by March 31, 2012	47%
	Percentage of leases and permits managed in NetLands (i.e., number of new leases and permits registered in the Indian Land Registry compared with number tracked in the NetLands monitoring system)	70% by March 31, 2012 100% by March 31, 2013 and beyond	55%
Management of contaminated sites to protect human health and the safety of the environment	Number of contaminated sites remediated	Five by March 31, 2012	0

Performance Summary and Analysis of Program Activity

In support of Federal Administration of Reserve Land in 2011–2012, AANDC's key activities and results included:

- Designating reserve land, to ensure First Nations can pursue a range of economic development opportunities, such as leases for commercial, industrial, and mines and mineral exploration/exploitation. Over 53% of designations were completed within AANDC's service standard of 100 days in 2011–2012. A thorough analysis of the review process and changes to realize greater efficiencies were completed mid-year, and 100% of the designations received by AANDC in the last two quarters of the fiscal year were completed within the service standard.
- With regards to registering interests on reserve land through the Indian Land Registry System, a significant upgrade to the system was implemented late in the previous year. As a result, the implementation of new processes impacted processing times at the start of 2011–2012 and resulted in the registration service standard not being met. Despite these delays, 8,023 interests were registered and, by year-end, over 71% of instruments were registered within the service standard, an improvement over the 47% average service standard attainment rate for the year.
- Managing leases and permits through the NetLands[9] lease and permit tracking system supports Canada in administering funds and fulfilling responsibilities as trustee in these on-reserve land and resource arrangements. Progress was made in 2011–2012 to address interoperability issues between the NetLands and Indian Land Registry systems, resulting in the NetLands lease and permit management target being mostly met.
- Developing and implementing the National Priority Ranking System for Contaminated Sites as a means of prioritizing sites with the highest risk to human health and the environment, given limited program funding. The Department has prioritized the remediation of 302 high risk sites out of a total of 2,939 contaminated sites on over 800 inhabited reserves.
- Supporting work on 78 high risk sites through the Contaminated Sites Management Program; as a result of their greater levels of complexity, cost and multi-year remediation requirements, remediation work on 5 sites could not be completed. In addition, remediation work on several sites was subject to delays in project tendering, reduced accessibility because of poor weather, and equipment failure. Notwithstanding delays, the Contaminated Sites Management Program (South of 60) reduced the known financial liability for contaminated sites to $252.8 million at year end, down from $260.3 million at the start of the year.
- In 2011–2012, the Emergency Management Assistance Program reported on approximately 169 emergencies, 72 protests and 29 "other" incidents. AANDC spent approximately $159 million on emergency activities on-reserve, a large portion of which related to the Manitoba and Saskatchewan flooding as well as Ontario wild land fires. Federal/provincial/territorial discussions regarding national guidelines for emergency management service agreements continued in an effort to move forward bilateral negotiations.

Lessons Learned

An internal assessment of the current reserve land management processes suggests that there are opportunities to streamline without compromising due diligence. In order to realize further efficiencies, the processing of land registration and land transactions such as designations and additions to reserve will be transferred to regional offices in 2012–2013. Training will be provided to regional

[9] NetLands is a web-based computer application that is used for the management and monitoring of lease, permit and licence instruments issued under the *Indian Act* and their related terms and conditions.

personnel to undertake these functions, and three regional support centres will be established to provide ongoing support. Due to the interoperability issues between the NetLands and Indian Land Registry systems experienced in 2011–2012, the possible integration of both systems will be explored in 2012–2013.

A total of 55 of the 78 contaminated sites, in which AANDC conducted remedial activities in 2011–2012, were linked to fuel storage tank contamination. Historically, 67% of all contaminated sites on reserve are related to non-compliance of fuel storage tank regulations under the *Canadian Environmental Protection Act*. In response to this challenge, AANDC conducted a nation-wide Phase I Environmental Site Assessment initiative to assess fuel storage tanks on reserve lands in order to obtain better information and to confirm contamination. This resulted in a greater number of identified contaminated sites coming under the Contaminated Sites Management Program and a partial inventory of fuel storage tanks. AANDC liaised with both Environment Canada and First Nation communities in addition to offering Environmental Learning Regime sessions at which Environment Canada communicated information on the Petroleum and Allied Petroleum Products Storage Tanks Regulations to First Nations.

Program Activity 3.3: Community Infrastructure

Program Description

This program activity supports the provision of funding for the acquisition, construction, operation and maintenance of: community facilities such as roads, bridges, water and sewer systems, and administration offices; education facilities, such as schools and teacherages; and on-reserve housing.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
1,212.2	1,099.9	1,096.9	233.0	263.3	30.3

The difference between Planned Spending and Total Authorities primarily reflects reallocations to address pressures in other program activities, notably Education and Social Development. AANDC received incremental funding through Supplementary Estimates to: upgrade, repair or replace essential fuel storage tanks in First Nation communities; construct First Nation education facilities; and support clean energy programs to strengthen Canada's economy and improve its environmental performance. The difference between Total Authorities and Actual Spending primarily reflects the deferral of projects under the Gas Tax Funds; this represents deferred funding that was not required in 2011–2012 has been reprofiled to 2012–2013 when it will be available for the intended purposes.

For an explanation of variance of FTEs, see Section IV: FTE Variance by Program Activity.

Expected Results	Performance Indicators	Targets	Actual Results
Infrastructure base in First Nation communities that protects the health and safety of community members and enables engagement in the economy	Percentage of First Nation communities with positive change in rating in the Community Well-Being (CWB) Index sub-indices of employment, income, education and housing	Increase in the percentage of First Nation communities with positive change in rating in the CWB Index sub-indices of employment, income, education and housing	At the time of drafting, the data from the 2011 Census was not yet available
Decrease in number of high-risk water and wastewater systems	Percentage of First Nation communities with acceptable water and wastewater facility risk ratings	Increase in the percentage of First Nation communities with acceptable water and wastewater facility risk ratings by March 31, 2013 (Lead on FSDS target)	Per the 2012 Annual Performance Inspection results (June 2012), compared to data on the same systems from the National Assessment results (published July 2011)* Water systems: Percentage of low-risk systems has increased from 25.2% to 34.5% Percentage of medium-risk systems has increased from 33.3% to 34.8% Percentage of high-risk systems has decreased from 34.8% to 26.7% Wastewater systems: Percentage of low-risk systems has increased from 31.2% to 45.1% Percentage of medium-risk systems has decreased from 48.4% to 40.5% Percentage of high-risk systems has decreased from 13.3% to 11.2%

**A number of water and wastewater systems that were inspected in the National Assessment of Water and Wastewater Systems in First Nation Communities — 2009–2011 were not inspected in 2011–2012. Those are systems for which Aboriginal Affairs and Northern Development Canada does not provide direct funding, including systems owned by Self-Governing and Modern Treaty First Nations, private systems, some small septic systems, systems since retired from use and systems where the water or wastewater service is provided by an off-reserve service provider. The systems described in this indicator are only those for which inspections were carried out in both 2009–2010 and 2011–2012.*

Performance Summary and Analysis of Program Activity

First Nation communities need infrastructure that protects health and safety and supports participation in the economy.

Throughout 2011–2012, AANDC continued working to support First Nations in improving water and wastewater results on reserve.

- The results of the National Assessment of Water and Wastewater Systems in First Nation Communities were released on July 11, 2011. Based on these results, AANDC is developing a new long-term strategy to address water and wastewater servicing needs in First Nation communities.

- From 2010–2012, First Nations received $424.7 million in capital funding from AANDC for water and wastewater projects. Projects funded included the construction of new treatment facilities, the construction of water and wastewater storage facilities, the expansion of existing systems, and the servicing of lots for new home construction. During 2010–2012, 48 major water and wastewater infrastructure projects were completed in First Nation communities.
- The *Safe Drinking Water for First Nations Act* was introduced in the Senate as Bill S-8 on February 29, 2012. Subject to the proposed legislation receiving Royal Assent, the legislation will enable the Government of Canada to work with First Nations to develop enforceable federal regulations for water and wastewater on reserve. Bill S-8 represents a vital step towards ensuring First Nations have the same health and safety protections for drinking water as other Canadians.
- The renewal of the Circuit Rider Training Program guidelines will provide increased training and mentoring services to operators of First Nations drinking water systems and wastewater systems, which may improve the management and effectiveness of on-reserve potable water and wastewater systems, reduce the number and duration of drinking water advisories, and help First Nations to utilize the full service life of their water and wastewater infrastructure.
- In July 2011, the governments of Canada and Ontario announced the Canada–Ontario First Nations Initiative to Improve Drinking Water Quality, a new joint three-year initiative harnessing innovative and alternative drinking water systems to improve water quality in Ontario First Nation communities. The Ontario First Nations Technical Services Corporation is also supporting this initiative by providing technical support to First Nations and Tribal Councils for the full duration of the project.

AANDC remains committed to supporting First Nations in building infrastructure that meets the needs of First Nation communities, as well as supporting communities' capacity to maintain infrastructure by advancing alternative approaches to the funding, construction, ongoing operation and maintenance of public infrastructure on reserves.

- In 2011–2012, AANDC invested approximately $195 million in school infrastructure on reserve, including funding for maintenance and renovations to existing schools, and the construction of ten new schools.
- AANDC has provided $600,000 towards a multi-year pilot project with the Blood Tribe in Alberta to undertake comprehensive mould education, identification and mitigation. Annual reports will be provided over the next three years to demonstrate results on the educational, identification and mitigation activities related to the project. Once complete, the project will provide broadly applicable information on the costs associated with mould remediation, which will be made available to other First Nations.
- In order to improve the ability of municipal governments and First Nations to form partnerships that lead to improved infrastructure and related services, AANDC provides funding to the Federation of Canadian Municipalities to administer the First Nations Municipal Community Infrastructure Partnership Program, which promotes shared service agreements to support the sharing of knowledge and pooling of resources. The program has also developed a Service Agreement Best Practice Toolkit including a series of First Nations–municipal service agreement templates.

The ecoENERGY for Aboriginal and Northern Communities Program is a program under the Clean Air Agenda and supports the Federal Sustainable Development Strategy. In 2011–2012, 36 energy projects were provided funding support. It is projected that once these energy projects are implemented they will reduce greenhouse gas emissions by an estimated 0.9 Mt over the course of a 20-year project lifecycle.

Lessons Learned

In Alberta Region, the Technical Services Advisory Group completed its Remote Monitoring Project. The project focused on the installation and operation of a remote-monitoring network for 57 water treatment plants in 45 First Nations in Alberta. This project, the objective of which was to improve water quality monitoring, demonstrated that new measurement instruments and communication technologies are available for rapid, simple, reliable and relatively cost-effective implementation and use in First Nations communities, including remote communities. As of March 2012, 100% of the Alberta First Nation water treatment plants have been connected to the remote monitoring system. In future, this innovative approach could open the door to ensuring constant monitoring of water quality while reducing the need for full time on-site personnel.

In 2011–2012, AANDC initiated work to overhaul its annual inspection process for water and wastewater facilities. Based on feedback received from First Nations, inspectors, and regional offices, the Annual Performance Inspection checklists are being examined closely to ensure that directives for their implementation are clear, and to ensure that these tools can be used effectively by First Nations to improve water and wastewater outcomes in their communities.

STRATEGIC OUTCOME: THE NORTH

Self-reliance, prosperity and well-being for the people and communities of the North

Program Activity 4.1: Northern Governance and People

Canada's North represents tremendous economic potential, not just for Northerners, but for all Canadians. Managed in a sustainable manner, the North's oil, gas and mineral deposits will create opportunities for Northerners to prosper for many generations, leading to healthier, more self-sufficient communities.

Program Description

This program activity strengthens the North's communities and people by: unlocking the economic potential of the North; devolving to the people of the North province-like responsibilities for land and natural resources; reducing the costs of transporting nutritious perishable foods and other essential items to isolated northern communities; providing grants to territorial governments for hospital and physician services; working with northern communities to identify the risks and challenges posed by climate change; and advancing interests of Canadians and Northerners through circumpolar forums.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
120.7	141.8	126.6	42.0	67.1	25.1

The difference between Planned Spending and Total Authorities primarily reflects the carry-forward from previous years of funding for loan authorities as well as additional funding provided through Supplementary Estimates for: implementation of the Agreement-in-Principle for Northwest Territories land and resources devolution, including activities associated with the negotiation and implementation of a final Devolution Agreement, and, to help Canadians adapt to the impacts of climate change under Canada's Clean Air Agenda. The difference between Total Authorities and Actual Spending primarily reflects the carry-forward to future years of funding for these loan guarantees as well as the deferral of funding for implementation of the Agreement-in-Principle for Northwest Territories land and resources devolution and the deferral of funding to support access to healthy foods in isolated northern communities; this deferred funding that was not required in 2011–2012 has been reprofiled to 2012–2013 when it will be available for the intended purpose.

For an explanation of variance of FTEs, see Section IV: FTE Variance by Program Activity.

Expected Results	Performance Indicators	Targets	Actual Results
The people of the Yukon, Northwest Territories and Nunavut are responsible for the governance of northern land and resources	Completion of the five phases of devolution in the Northwest Territories and Nunavut: (1) protocol, (2) agreement in principle, (3) final agreement, (4) legislation and (5) implementation	Complete phase 2 by March 31, 2012	NWT: Phase 2 was completed in 2011; working to conclude phase 3. Nunavut: Discussions preparatory to phase 2 ongoing
Consumption of nutritious food in eligible communities	Estimated weight of eligible food purchased per capita	Increasing annually per capita by March 31, 2012	N/A*

** The 2011–2012 fiscal year was Nutrition North Canada's first year of operation. An estimated average of 248 kg of subsidized nutritious perishable foods was purchased per capita in 2011–2012 (based on Higher Level Subsidy in 75 communities). This amount will form the baseline against which performance will be measured in subsequent years.*

Performance Summary and Analysis of Program Activity

AANDC continued to work toward the devolution of land and resource management in the Northwest Territories and Nunavut.

In the Northwest Territories, phase 2 was completed with the signing of the Agreement-in-Principle in January 2011. This milestone allowed devolution to advance to phase 3, the negotiation of a Final Devolution Agreement. The negotiations formally commenced in June 2011 and include the Government of Canada, Government of the Northwest Territories, Inuvialuit Regional Corporation and Northwest Territory Métis Nation. The appointment of a new Chief Federal Negotiator in the Fall of 2011 has allowed negotiations to proceed without delay to an advanced stage, recognizing that significant work and consultations remain.

In Nunavut, following the signing of the Lands and Resources Devolution Negotiation Protocol in 2008, efforts have been focused on creating the conditions for Agreement-in-Principle negotiations (phase 2). In 2011–2012, discussions between AANDC and the Government of Nunavut and Nunavut Tunngavik Incorporated continued, as did the ongoing analysis of opportunities for progressing on devolution in Nunavut.

Throughout 2011–2012, Nutrition North Canada retail subsidies supported access to perishable nutritious food in isolated Northern communities. Launched on April 1, 2011, the program also enabled local stores and southern suppliers to implement cost and service efficiencies in the delivery of subsidized food and other goods to eligible communities. During its inaugural year, the Nutrition North Canada Advisory Board actively engaged with Northerners and other stakeholders to help inform the advice it provided to the Minister related to program management.

Lessons Learned

Yukon devolution in 2003 has helped inform and guide the Department during the current devolution processes. This is demonstrated by the implementation of a stronger management framework, including risk assessments, to guide the negotiation and implementation of devolution in the Northwest Territories and Nunavut. In addition, the Department has developed and is implementing more extensive internal and external communications strategies. AANDC will continue to draw upon the lessons learned from the Yukon experience in the context of advancing devolution processes in the Northwest Territories and Nunavut.

The experience of implementing Nutrition North Canada to replace the Food Mail Program has highlighted the importance of communications and providing communities and other affected stakeholders ample time to transition when a new program model is introduced. The Department listened to Northerners' concerns regarding the transition to Nutrition North Canada and took action by expanding the list of perishable foods eligible for subsidy under Nutrition North Canada and by providing a subsidy for a range of non-perishable foods and non-food items until October 1, 2012. An advertising campaign will be launched in Fall 2012 to coincide with the changes to the list of foods eligible for subsidy. The campaign will help raise awareness of these changes and presents an opportunity to emphasize the program's ultimate goal of supporting healthy food choices. Program officials will continue to engage members of the Advisory Board for information and advice on the management, direction and activities of the program.

Program Activity 4.2: Northern Science and Technology

Program Description

This program activity supports scientific research and technology in the North. Research and monitoring of long-range contaminants and their impacts on the ecosystem and the traditional/country food chain is carried out through the Northern Contaminants Program. It also supports the work carried out under the International Polar Year (IPY) initiative, including the efforts to facilitate scientific research licensing and approvals as well as the establishment and management of scientific data. The establishment of the Canadian High Arctic Research Station will position Canada as an international leader in Arctic science and technology.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
13.6	16.8	16.0	17.0	38.9	21.9

The difference between Planned Spending and Total Authorities primarily reflects the realignment of program-specific support funding from the Internal Services program activity to more appropriately reflect the cost associated with delivering programs and services and achieving results in the Northern Science and Technology program activity. The difference between Total Authorities and Actual Spending primarily reflects the deferral of funding for the Canadian High Arctic Research Station; this deferred funding that was not required in 2011–2012 has been carried forward to 2012–2013 when it will be available for the intended purpose.

For an explanation of variance of FTEs, see Section IV: FTE Variance by Program Activity.

Expected Results	Performance Indicators	Targets	Actual Results
A simplified framework for research licensing of future northern science programs and activities	Phases in Canadian Arctic Research Licensing Initiative: (1) recommendations for improvement; (2) consultation with stakeholders; (3) fund development of the following tools to facilitate licensing — territorial/regional retrospective on research licensing, research licensing web-based tools, guidelines and training materials, and workshops/meetings	Phase 3 by March 31, 2012	Phase 3 completed

Performance Summary and Analysis of Program Activity

The Northern Contaminants Program continued to monitor contaminant levels in wildlife and people in the Canadian North, contributing data, information and expertise to Canadian and international assessments of mercury and persistent organic pollutants, as well as to the Arctic Council's Arctic Monitoring and Assessment Programme (AMAP) and the Stockholm Convention's Global Monitoring Plan. The Northern Contaminants Program supports the Federal Sustainable Development Strategy Theme I addressing climate change and air quality and Theme II Maintaining water quality and availability. The Northern Contaminants Program results helped develop Canada's and the Arctic Council's positions for the United Nations Environment Programme Global Mercury Negotiations, which were formally presented by Canada and AMAP at the third international negotiating session held in November 2011 in Nairobi, Kenya. Nationally, the Northern Contaminants Program's human health research and monitoring results were used to develop public health announcements related to contaminant levels and the consumption of specific traditionally harvested foods, which were released

by the Nunavik Regional Board of Health and Social Services in October 2011 and by the Chief Medical Officer of Health for Northwest Territories in June and August 2011.

Planning continued for the April 22–27, 2012 International Polar Year Conference, entitled "From Knowledge to Action". The goal of the conference is to present International Polar Year findings that will contribute to discussions of how this new knowledge can be used to advance Arctic issues, such as northern Aboriginal health, reduction in sea ice and marine safety, permafrost and northern infrastructure, and climate change. The 2012 International Polar Year Conference registration reached over 2,000 participants from more than 40 countries one month prior to the event. This exceeded expectations and put the conference on track to attract up to 3,000 attendees.

Progress on the creation of the Canadian High Arctic Research Station (CHARS) continued: the feasibility study was made public in September 2011, and the design phase was launched including the request for proposal process with Public Works and Government Services Canada. Additional progress was also made on the development of a CHARS Science and Technology (S&T) Blueprint under the guidance of the CHARS S&T Blueprint Advisory Panel.

Lessons Learned

A number of human health advisories were issued in the Northwest Territories and Nunavik over the past year concerning contaminants in traditional foods. A key lesson learned from these initiatives was the need to develop a communications strategy and establish a Risk Communication Subcommittee to manage findings stemming from the program and understand how best to communicate results in a timely fashion, with our partners, that could influence country food consumption choices amongst Northerners.

The development of CHARS presents unique opportunities and challenges. Experience gained in 2011–2012 from the implementation of the Arctic Research Infrastructure Fund stressed the value of engaging Northern expertise early and often in the design and construction of Northern research facilities. In addition to broad ongoing consultation activities, AANDC therefore expanded the standard process to select the architectural firm for the new Canadian High Arctic Research Station to include Northern representatives with experience in both science facilities and Arctic construction to ensure Northern perspectives were at the table.

Program Activity 4.3: Northern Land, Resources and Environmental Management

Program Description

This program activity supports the management, sustainable development and regulatory oversight of the land, water, environment and natural resources of the North. Mineral and petroleum resource development, including offshore projects, are managed and coordinated; environmental management and stewardship is promoted through initiatives like the Northwest Territories Protected Areas Strategy, Northwest Territories Cumulative Impacts Monitoring Program, the Nunavut General Monitoring Program and the continued development and improvement of the northern regulatory regime; resource management is effected through development of legislation, regulations and related policiesas well as collaboration with and support of Northern Boards; contaminated sites are identified and cleaned up; and northern land and resources are managed for the current and future benefit and prosperity of all Northerners.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
88.8	191.0	179.9	332.0	395.3	63.3

The difference between Planned Spending and Total Authorities primarily reflects additional funding provided through Supplementary Estimates for the assessment, management and remediation of federal contaminated sites under the Federal Contaminated Sites Action Plan. The difference between Total Authorities and Actual Spending primarily reflects the deferral of projects under the Federal Contaminated Sites Action Plan; this deferred funding that was not required in 2011–2012 has been reprofiled to 2012–2013 when it will be available for the intended purpose.

For an explanation of variance of FTEs, see Section IV: FTE Variance by Program Activity.

Expected Results	Performance Indicators	Targets	Actual Results
A more predictable and timely regulatory regime in the North	Improved Fraser Institute rating	Improve Fraser Institute rating by 10 positions by March 31, 2014	N/A*
	Percentage of projects approved within regulated timelines in process	75% by March 31, 2014	N/A*
Environmental assessment processes that are effective in identifying potential impacts and mitigation measures	Percentage of decisions on a course of action issued within six months of receiving a recommendation from an environmental assessment body	75% by March 31, 2012	85%

** Results will be available March 2014.*

Performance Summary and Analysis of Program Activity

The Department continued its efforts to improve the certainty and predictability of the regulatory regimes in the North. Work continued on the *Nunavut Planning and Project Assessment Act* and consultations were held with respect to a Northwest Territories (NWT) *Surface Rights Act.* Meetings were held to amend the *Mackenzie Valley Resource Management Act,* including sessions hosted by the Chief Federal Negotiator. Progress was also achieved in making amendments to regulations with respect to mining, land use and water.

At the end of 2011, the five-year rolling average of hectares under licence for oil and gas exploration in the Canadian North was 5,190,307. Industry's interest was divided between existing offshore large conventional fields in the deeper waters of the Beaufort Sea and new opportunities for onshore exploration in the Central Mackenzie Valley. Eleven new exploration licences covering nearly 900,000 hectares were issued in the Central Mackenzie Valley, following unprecedented onshore bids comprising a total work commitment expenditure of $534 million. In the Beaufort Sea, two shallow-water exploration licences covering over 200,000 hectares were awarded.

Industry's expenditures for petroleum projects in the North in 2011–2012 were estimated at over $100 million, the majority of which was spent through Northern Aboriginal and other Northern businesses, training, and employment. Responding to the 2010 Report of the Auditor General of Canada on sustaining development in the NWT, the Department continued to advance a more streamlined and effective planning and reporting regime for benefits provided by the oil and gas development to Aboriginals and Northerners, including the modernization of the Canada Benefits Plans Guidelines established through engagement with Aboriginal groups and industry.

Supporting an evidence-based oil and gas resource development, AANDC successfully implemented the first full year of the Beaufort Regional Environmental Assessment initiative: 17 research projects have been funded ($4.1 million) and new research priorities established for 2012–2013 with Inuvialuit engagement and support.

Implementation of the online map selection mineral staking system for Nunavut continued with the award in March 2012 of a contract to develop the software and hardware system. The federal diamond valuation process and royalty audit function ensured that the $118 million in Crown royalties collected by AANDC represented the full amount due.

The Northern Contaminated Sites Program remediated two sites in the North by March 31, 2012, namely CAm-D and Bear Island in Nunavut, and Colomac in the NWT. Progress also continued for two of Canada's largest contaminated sites, Giant Mine in the Northwest Territories, and Faro Mine in the Yukon. In 2011–2012, the Faro Mine Remediation Project was in the design phase while care and maintenance activities continued. The environmental assessment process for the Giant Mine Remediation Project continued through the remaining phases. The project team continued to maintain the overall care and maintenance of the site while addressing high risk issues.

AANDC led a coordinated federal approach to revising and completing Northern land use plans, making progress on the Gwich'in Land Use Plan, the draft Sahtu Land Use Plan, and initiating an independent review of the Nunavut land use planning process. AANDC continued work and collaboration with Environment Canada to establish National Wildlife Areas under the NWT Protected Areas Strategy, and continued implementing the Northwest Territories Cumulative Impact Monitoring Program and the Nunavut General Monitoring Plan to support responsible resource development. To improve environmental assessment timelines, departmental officials met with resource management Boards and federal departments to agree on administrative efficiencies.

Lessons Learned

In 2011, the oil and gas industry showed an unprecedented interest in obtaining rights in the Central Mackenzie Valley, resulting in 11 new licenses issued. At the same time, widespread public awareness of new industry technologies to extract petroleum from shale heightened concerns in the North about the nature and regulation of industry activities. Although familiar with conventional oil and gas operations, Northern communities were not fully aware of the rapidly evolving industry interest in oil and gas from shale. This revealed the need for active preparation of stakeholders for market shifts and evolving industry interest in new types of resources including community level engagement to develop confidence in the regulatory regime in the North. AANDC has ensured that key affected communities were rapidly informed as to the new developments using materials and presentations developed by experts in the new industry practices, in collaboration with the Government of the Northwest Territories.

Did you know?

Together with Norwegian partners, AANDC is leading through the Arctic Council's Emergency Prevention, Preparedness and Response Working Group the development of recommended practices in the prevention of oil spills in Arctic waters. This will help countries learn from each other's best practices, ensuring safe and sustainable development in the Arctic.

An evaluation of the Northern Regulatory Improvement Initiative and of Land, Resources and Environmental Management was completed in February 2012. The evaluation found that the programs are an important part of environmental monitoring, protection and remediation but that there is a need for the Department to respond to legislative changes and support regulatory processes in the North. As well, lessons learned included the need to ensure access to sufficient information to assess

the adequacy of mine site inspections and compliance with the terms of leases, land use permits and water licenses while working collaboratively with others like the Northern Boards. To this end, AANDC has defined the term "compliance" and established clear policy and procedures on how the various levels of compliance are to be reported to the Land and Water Boards and in the public realm. In addition, a working group has been established to examine issues surrounding reclamation security. A workplan for the activities of this working group will be completed in the second quarter of 2013.

STRATEGIC OUTCOME: OFFICE OF THE FEDERAL INTERLOCUTOR

Socio-economic well-being of Métis, Non-Status Indians, and urban Aboriginal people

Program Activity 5.1: Urban Aboriginal Strategy

Program Description

This program activity helps respond to the needs of Aboriginal people living in urban centres. It promotes the self-reliance and economic participation of urban Aboriginal people. Through the Urban Aboriginal Strategy (UAS), the federal government partners with other governments, community organizations and Aboriginal people to support projects that respond to local priorities. The Strategy enhances the federal government's ability to align expenditures directed toward urban Aboriginal people in key centres with provincial and municipal programming in a way that both advances federal objectives and responds effectively to local challenges and opportunities.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
13.5	14.9	14.9	36.0	37.6	1.6

The difference between Planned Spending and Total Authorities primarily reflects reallocations from within the Office of the Federal Interlocutor to address priority issues.

For an explanation of variance of FTEs, see Section IV: FTE Variance by Program Activity.

Expected Results	Performance Indicators	Targets	Actual Results*
Self-reliant urban Aboriginal people who participate in the economy	Economic conditions of Métis, non-status Indians and urban Aboriginal people, as indicated by high school attainment, employment and average total income for urban Aboriginal people in UAS-designated cities	2% increase between 2001 and 2011 for high school attainment, employment and average total income for urban Aboriginal people in UAS-designated cities by March 31, 2012	2011 National Household Survey data measuring off-reserve average income are not yet available. Based on data from 2001–2006 Censuses: High school attainment for urban Aboriginal people in UAS-designated cities increased by approximately 10% over the period The employment rate for urban Aboriginal people in UAS-designated cities increased by 4% over the period Average individual income for urban Aboriginal people in UAS-designated cities increased by 14% over the period (in 2005 constant dollars)
Broader and enhanced engagement of Urban Aboriginal Strategy partners leading to federal and provincial efforts more effectively responding to urban Aboriginal needs	Percentage of total project funding leveraged through relationships with provincial and municipal governments	Percentage of dollars leveraged on a matching (50–50) basis averaged over five years (2007–2008 to 2011–2012) by UAS-designated city through relationships with provincial and municipal governments by March 31, 2012	Seven out of the 13 UAS-designated cities have achieved 50% leveraging from municipal and provincial governments

** Comparable data from the 2011 National Household Survey will not be available until 2013 or later.*

Performance Summary and Analysis of Program Activity

Results of the 2001 and 2006 Censuses of Population show that the socio-economic conditions of urban Aboriginal people living in UAS-designated cities are improving. During that period, the high school attainment rate increased by approximately 6 percentage points from 58.8% to 64.4% while the employment rate increased by 4 percentage points from 56.0% to 60.4%. Meanwhile, the average individual income for urban Aboriginal people in UAS-designated cities increased by 14% from $23,664 to $27,030 (using 2005 constant dollars).

Through partnership work, AANDC helped strengthen community capacity, legitimacy and decision making and funded 152 community-based projects aimed at improving life skills, promoting job training, skills and entrepreneurship and supporting Aboriginal women, children and families.

AANDC also made progress in partnering with other federal departments, provincial and municipal governments and the private and philanthropic sectors. With the help of these partnerships, the Urban Aboriginal Strategy has invested $10.2 million, coordinated $3.14 million from other federal departments (increase of 25% compared to fiscal year 2010–2011), leveraged $7.75 million from municipalities and provinces (increase of 34%), and $6 million from non-public sectors (increase of 66%).

Since the beginning of the mandate, seven UAS-designated cities have achieved 50% leveraging from municipal and provincial governments, while six are still behind plan, mainly as a result of the availability of program funds at the municipal and provincial levels.

Lessons Learned

In order to bridge gaps in the delivery of urban Aboriginal programming by the government, Aboriginal Friendship Centre Program, Cultural Connections for Aboriginal Youth and Young Canada Work programs were transferred from Canadian Heritage to AANDC at the end of the fiscal year. This transfer will allow AANDC to develop a consolidated urban Aboriginal policy framework which will offer a greater range of policy and program levers that will respond to national priorities and key departmental reforms that transcend reserve boundaries.

An Impact Evaluation of the Urban Aboriginal Strategy made the recommendation to revise the UAS Performance Measurement Strategy in line with current departmental guidelines and requirements in order to: improve the monitoring and measurement of results, particularly at the community and sector (or priority) levels; strengthen UAS monitoring and assessment of efficiency and economy across all activity areas; and allow for the conduct of periodic reviews of UAS priority areas with Aboriginal stakeholders and other key partners to ensure they account key priorities at both the regional and federal departmental levels. To address these challenges, the UAS had been working with the Evaluation, Performance Measurement and Review Branch to develop a comprehensive approach for measurement of results. However, this work was put on hold when it was learned that the three programs would be transferred to the Department from Canadian Heritage. A new Performance Measurement Strategy that takes into consideration the transferred programming elements will be completed in the Fall of 2013.

Program Activity 5.2: Métis and Non-Status Indian Organizational Capacity Development

Program Description

This program activity is carried out by the Office of the Federal Interlocutor, the Government of Canada's principal point of contact for Métis and non-status Indian organizations, and the primary advocate within government on their key issues. The main mandate of the Office is to support (financially and through other means) the work of these organizations, and help find practical ways to reduce dependency and improve the self-reliance, and social and economic conditions of Métis, non-status Indians and off-reserve Aboriginal people. The Office fulfils this mandate by helping Métis and non-status Indian organizations develop their organizational and professional capacity, so that they can build effective partnerships with federal and provincial governments, and the private sector.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
16.1	16.5	16.3	19.0	21.6	2.6

The difference between Planned Spending and Total Authorities primarily reflects reallocations from within the Office of the Federal Interlocutor to address priority issues.

For an explanation of variance of FTEs, see Section IV: FTE Variance by Program Activity.

Expected Results	Performance Indicators	Targets	Actual Results
Métis and non-status Indian (MNSI) organizations have the organizational capacity to deliver agreed-upon projects	Percentage of progress reports demonstrating progress on projects and submitted on time	70% of work plan objectives achieved by March 31, 2012	100% of reports demonstrated results 33% were submitted on time
MNSI organizations that have the financial capacity to be accountable for public funds	Percentage of MNSI organizations with qualified financial personnel on staff as measured by certification, accreditation, years of experiences and training	70% by March 31, 2012	82% of MNSI organizations have qualified financial personnel on staff
Stable and democratically accountable MNSI organizations that represent their members' interests	Percentage of MNSI organizations that hold elections and Annual General Assemblies, in keeping with constitutions/bylaws	100% by March 31, 2012	100% of elections were held in 2011–2012 in keeping with constitutions/bylaws

Performance Summary and Analysis of Program Activity

AANDC continued to support bilateral and tripartite relationships through the Basic Organizational Capacity Program and the Federal Interlocutor's Contribution Program. The Department supported 105 projects enhancing recipient organizations' ability to represent their members, be accountable for public funds, and function as stable, democratic and transparent organizations representing their constituents' interests. Additionally, all reports demonstrated progress on projects, although only 33% were submitted on time. In 2011–2012, four[10] Métis and non-status Indian organizations had elections due according to their respective bylaws, and all were held accordingly. Additionally, all Métis and non-status Indian organizations held their annual general assembly as per their bylaws.

As of March 2012, 82% of Métis and non-status Indian organizations had qualified financial personnel on staff. During 2011–2012, AANDC, with the assistance of the Aboriginal Financial Officers Association, continued to work to build capacity and increase the accountability of Métis and non-status Indian organizations through workshops for financial staff on effective financial management and reporting.

Lessons Learned

Capacity and financial expertise remains an ongoing issue for some Métis and non-status Indian organizations. Ensuring that audited procedures are being scheduled on a timely basis helps demonstrate that Métis and non-status Indian organizations can effectively represent their members. Such audits were behind plan in 2011–2012, which proved to be a challenge. AANDC will ensure that targeted audits are taking place earlier in the fiscal year to allow enough time for organizations to adjust their financial standards and approach.

[10] Elections were held for the following organizations: Métis Nation Ontario; Métis Nation Alberta; Native Alliance of Québec; and New Brunswick Aboriginal Peoples Council.

Program Activity 5.3: Métis Rights Management

Program Description

This program activity is the federal response to the 2003 Supreme Court of Canada's *Powley* decision, which affirmed that Métis can hold section 35 Aboriginal rights under the Canadian Constitution. The program works with (through financial support and other means) non-profit, representative Aboriginal organizations that have substantial Métis memberships to develop objectively verifiable membership systems for Métis members and harvesters[11] in accordance with the Supreme Court's direction.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
11.9	9.5	9.5	10.0	8.8	-1.2

The difference between Planned Spending and Total Authorities primarily reflects reallocations from within the Office of the Federal Interlocutor to address priority issues.

For an explanation of variance of FTEs, see Section IV: FTE Variance by Program Activity.

Expected Results	Performance Indicators	Targets	Actual Results
Reconciliation of section 35 Métis Aboriginal rights with the sovereignty of the Crown	Number of verified membership systems out of the total five systems that are being developed	Three by March 31, 2015	In progress
	Level of public awareness of Métis Aboriginal rights issues	Set targets: Creation of baseline data in relation to the public awareness of Métis rights by March 31, 2015	Data not available

Performance Summary and Analysis of Program Activity

Based on 2011–2012 year-end progress reports from funded Métis organizations, work towards the development of the five Métis identification systems is currently in progress to meet its revised target date[12] of 2017. Work continued with the Métis National Council and its affiliate organizations on the development of province-wide, objectively verifiable membership systems that provide a basis for membership representation, increased credibility and transparency for money spent.

Following the quantitative and qualitative assessment of media coverage pertaining to Métis rights conducted in 2010–2011, the indicator pertaining to the level of public awareness of Métis Aboriginal rights issues was deemed inadequate to measure performance against the identified expected result.

Where appropriate, AANDC continued to serve as a resource on Métis and non-status Indian consultation and accommodation matters for all federal departments and industry. AANDC also continued to advocate within government on behalf of Métis organizations to ensure that their interests are reflected in consultation and accommodation matters.

[11] Harvester refers to those who hunt, fish, trap and gather for personal use.

[12] For more information see AANDC *2012–2013 Report on Plans and Priorities* (http://www.tbs-sct.gc.ca/rpp/2012-2013/inst/ian/ian02-eng.asp#s2.5.3).

Lessons Learned

The development of objectively verifiable Métis membership systems necessitates the employment of common standards and practices across organizations to ensure an overall consistency of approach to the identification of Métis harvesters. The establishment of standards has been a challenge since the beginning of the program. To resolve this, AANDC has engaged with the Canadian Standard Association to work with representative Métis organizations to address issues related to standardization.

Program Activity 6.1: Internal Services

Program Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: management and oversight services; communications services; legal services; human resources management services; financial management services; information management services; information technology services; real property services; materiel services; acquisition services; travel; and other administrative services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Sustainable Development

Aboriginal Affairs and Northern Development Canada is a participant in the Federal Sustainable Development Strategy and contributes to the Greening Government Operations targets through the Internal Services program activity. The Department contributes to the following target areas of Theme IV (Shrinking the Environmental Footprint — Beginning with Government) of the FSDS: green buildings, greenhouse gas emissions, e-waste, managed print, paper consumption, green meetings, green procurement and the purchase of off-set credits.

For additional details on AANDC's Greening Government Operations activities, please see the List of Supplementary Information Tables in Section III.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
385.2	394.7	362.7	2,633.0	1,704.1	-928.9

The difference between Planned Spending and Total Authorities primarily reflects incremental funding for the operating budget carry-forward and paylist requirements offset by a decrease reflecting the transfer of funding to Shared Services Canada for information technology services including e-mail, data centre and network services, as well as the realignment of program-specific support funding from Internal Services to other program activities to more appropriately reflect the costs associated with delivering programs and services and achieving results in those activities. The difference between Total Authorities and Actual Spending primarily reflects operating resources to be carried forward to 2012–2013 as well as reduced paylist requirements.

For an explanation of variance of FTEs, see Section IV: FTE Variance by Program Activity.

9 Performance Summary and Analysis of Program Activity

Reducing the Reporting Burden

In 2011–2012, the implementation of the Policy on Transfer Payments was almost completed. Through the establishment of risk-based management approaches, including appropriate tools and processes, such as the recipient general risk assessment, the Department was able to increase the number of multi-year agreements ranging from 2–5 years from 107 in 2010–2011 to 699 in 2011–2012, an increase of 550%.

With a view to harmonizing its administrative instruments, the Department also developed a suite of national funding agreement models that address the Policy on Transfer Payments requirements, include standardized clauses for greater operational efficiency in the management of transfer payments and allow flexibility for annual and multi-year agreements or multi program or multi departmental agreements. The Department was also successful in pursuing opportunities for collaboration with other departments, notably with Health Canada's First Nations and Inuit Health Branch towards consolidated funding agreements, including the implementation of two pilot initiatives.

Management Excellence

In 2011–2012, the Department was named one of the top 100 employers in the National Capital Region by those responsible for the "Canada's Top 100 Employers" site. This year also marked a turning point for AANDC on the management front with the Department receiving its best overall Management Accountability Framework (MAF) ratings: a "strong" rating on Evaluation and the remainder rated "acceptable". As a result of its steady progress, AANDC has reduced its "opportunity for improvement" ratings from three to zero.

AANDC continued to strengthen its approach towards integrated planning and resource alignment through the development of principles of integrated planning and the approval of a Business Planning approach for 2012–2013 with substantial focus in key areas of integration, including risk and financial elements.

In 2011–2012, AANDC continued the implementation of its Public Service Renewal Action Plan. The plan's primary focus was on improving integrated planning and aligning resources with the implementation of national human resources service standards. The adoption of Common Human Resources Business Processes standardizes human resources practices at the national level and makes them more efficient. On March 31, 2012, the Department completed five of the seven processes, which makes it one of the leaders in the public service.

The Department continued its Public Service Employee Survey (PSES) 2008 Action Plan with activities such as mandatory harassment prevention training, revising the Recognition Program Framework and the launch of the new AANDC Values and Ethics Code and the Policy on Conflict of Interest and Post-Employment. Furthermore, an awareness campaign on the 2011 survey took place in the Department. The results showed that the participation rate increased to an unprecedented 70.8%. As with the PSES 2008, AANDC will develop an action plan using the 2011 results to mitigate and address employee concerns. The process has been launched, and the action plan will be communicated in 2012.

Opportunities for improvement have been identified, especially concerning employee turnover and the gradual increase of sick leave rates. AANDC continued its renewal activities through post-secondary recruitment and the implementation of its national resourcing strategy, which has slowed as a result of the action plan to reduce staff. Lastly, to monitor the rate of sick leave (more than one month), a guide has been prepared for managers, and a monthly report is produced for senior management, which will enable better case management.

Information Management and Information Technology

The departmental Information Management and Information Technology (IM/IT) strategy was developed and approved in February, 2012, and now paves the way to implement Enterprise Architecture (EA) within the Department. EA will maximize business value in departmental IM/IT investments by making the necessary links from business requirements to information to technical requirements to solution design.

The IM/IT strategy also supports the enterprise IM strategy, which details how the AANDC workforce will be enabled to be IM Equipped, IM Accountable, IM Motivated and IM Educated. Enterprise IM has made progress this past fiscal year in responding to information management needs not only for internal programs but for external clients as well in efforts to improve recipient reporting for First Nations and other recipients of funding. As a foundational document, the IM/IT strategy will foster the continued development of standards that will ensure IM/IT investments not only allow for interoperability among systems but align investments across AANDC program activities.

Evidence based decision making

In 2011–2012, AANDC undertook a study to explore the linkages between evaluation and policy development. The study determined that while evaluation is a useful source of evidence for decision making and policy development, it was also found that linkages between evaluation and policy development can be strengthened. In response, an Action Plan designed to address these barriers is being implemented under the guidance of the Department's Director Generals' Policy Coordination Committee. The focus in 2012–2013 will be to develop a tool to measure the extent to which evaluation evidence is being used.

Lessons Learned

Over the last few years, AANDC has learned to use the new framework provided by the new Treasury Board Secretariat Policy on Transfer Payments (i.e. risk-based, flexible management of funding relationships). In spite of the challenges associated with implementing policy shifts in operational realities, AANDC is using the lessons from the early implementation experiences to continue to improve the management of funding relationships which remains front and center as part of our work with First Nations, Inuit, Métis and other recipient organizations.

The Government of Canada and AANDC is committed to relationships and partnerships with Aboriginal people and Northerners. An important aspect of those interactions stems from the administration of the funding relationship. The Department has begun to look at ways of harmonizing administrative tools and practices between Health Canada and AANDC. Over the next few years, we will continue to pursue opportunities for collaboration with other departments, including for example the pursuit of common funding agreement models and integration of grants and contributions management systems.

Establishing sound policy is integral to the establishment of tactical operational plans. Through the development of the IM/IT strategy, a key lesson learned was to utilize the AANDC governance bodies not only for approval of policy but for communication and consultation as well. Comments were incorporated into the policy instruments to ensure the integration of stakeholder feedback (e.g. in the case of the Directive on IM/IT Procurement Authorization, consultation resulted in clearer definitions of roles as responsibilities (including delegated authorities) as well as detailed instructions on applicable financial coding for all types of IM/IT purchases).

Canadian Polar Commission

STRATEGIC OUTCOME: INCREASED CANADIAN POLAR KNOWLEDGE

Program Activity: Research Facilitation and Communication

Program Description

This strategic outcome creates the conditions for Canada to acquire the wide range of information needed for effective policy and research program development in the polar regions, and to maintain Canada's position as a leading polar nation. The Commission facilitates the development and dissemination of polar knowledge to Canadians. It does so by facilitating the coordination of research activities to increase efficiency and generate a greater exchange of information. The Commission also fosters and encourages activities and events to attract the next generation of polar researchers.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
0.8	1.0	1.0	4.5	4.5	0

Expected Results	Performance Indicators	Targets	Actual Results
Awareness by government and the public of the progress and effectiveness of Canada in International Polar Year	Government planning that builds an IPY legacy in Canada in terms of: Infrastructure, monitoring, and attracting the next generation of polar scientists	Improvements to polar research infrastructure	The Canadian Network of Northern Research Operators was supported as it worked on a coordinated approach to research, finding efficiencies, and building partnerships to improve the operation of Canada's polar research infrastructure.
		Increase in monitoring activity	Canada's representation to the Sustaining Arctic Observing Networks, which coordinates and improves circumpolar Arctic monitoring activities, was organized.
		Young scientists actively pursuing polar research	Young Canadian researchers actively participating in the Association of Polar Early Career Scientists and applying to Northern Science Training Program and Canadian Northern Studies Trust

Expected Results	Performance Indicators	Targets	Actual Results
Canada represented on international polar science bodies, with Canadian interests and concerns taken into consideration and information from these organizations brought back to Canada	Canada's international influence and participation in collaborative polar science The integration of Canada's priorities into international polar science policies Increased cooperation with Canada by polar research nations	Promotion of Canadian polar research interests and concerns, and information gathering at events and meetings with international bodies	Canada's membership in the International Arctic Science Committee (IASC) supported; Canadian presidency of IASC and Canadian representation on five IASC working groups supported (cryosphere, terrestrial, atmosphere, social sciences and humanities, ocean) Membership supported for Canada in the Scientific Committee for Antarctic Resarch (SCAR)
Increased federal government support for establishing a Canadian Antarctic Research Program as part of an overall national polar science policy	Progress toward implementation of a Canadian Antarctic Research Program	Champions identified within the federal government to promote the Canadian Antarctic Research Program	Canadian Committee for Antarctic Research (CCAR) supported. CCAR is Canada's national committee for SCAR and the voice of the Canadian Antarctic science community. Building sufficient support within the federal government to meet this target is a long-term ongoing process.

Performance Summary and Analysis of Program Activity

In 2011, the Board of Directors developed a Vision and Strategic Plan that will guide the Commission over the next three years. To implement these, a new executive director was hired in March 2012.

To promote awareness by government and the public of the progress and effectiveness of Canada in International Polar Year (IPY), the Commission produced a non-technical summary for Canadians of Canada's IPY science highlights, for distribution via Internet and at the International Polar Year Conference "From Knowledge to Action" in Montreal (April 2012). This summary makes Canada's key IPY findings accessible to the general public. Regarding infrastructure and networks the Commission provided support to the Canadian Network of Northern Research Operators and hosted its annual meeting (March 2012). This network is working to bring greater coordination and efficiency to the operations of Canada's far-flung network of northern research infrastructure. Over the long term, this will reduce costs and improve access to northern science infrastructure for researchers. The Commission contributed expertise to the advisory panel for the planned Canadian High Arctic Research Station, a legacy of the International Polar Year.

The Commission supported Canadian participation in Sustaining Arctic Observing Networks (SAON), which coordinates and improves circumpolar Arctic monitoring activities. The Commission began providing coordination and secretariat services to the Canadian committee for SAON, and planned and held two teleconferences to organize Canada's representation.

As part of its efforts to attract the next generation of polar scientists, the Commission contributed expertise to the Association of Canadian Universities for Northern Studies' Canadian Northern Studies Trust (the Commission hosted pre-selection and selection committee meetings for 39 awards) and AANDC's Northern Science Training Program (NSTP) (The Commission is represented on the NSTP management committee, which meets annually to allocate funds to applicant universities; 391 students applied through their universities for applicants for NSTP funding), to help support promising young polar researchers. Approximately 450 young Canadian polar researchers are members of the Association of Polar Early Career Scientists.

The Commission promoted Canadian polar research interests and gathered information through its work representing Canada on the International Arctic Science Committee and the Scientific Committee for Antarctic Research. In addition, the Commission organized Arctic Science Summit Week 2012 (ASSW), as Canada was the host country. The Commission planned the event to take place on the margins of the International Polar Year Conference held in Montreal in April 2012.

The Commission continued to promote the Canadian Antarctic Research Program within federal government departments and agencies involved with Antarctic matters. Officials in several departments have indicated their support for the program, and building sufficient support for its implementation is an ongoing process.

Lessons Learned

The Commission has spent many years developing and maintaining partnerships with federal departments and non-governmental organizations, and has benefitted significantly from the support of individuals, including members of the Canadian Committee on Antarctic Research, who have volunteered time and energy to help it advance knowledge of the polar regions. Building and maintaining effective relationships is fundamental to the Commission's work.

Program Activity: Internal Services

Program Description

Internal Services are activities and resources that support the needs of: management and Board of Directors with respect to the overall management and governance of the Commission; communications; services; legal services; human resources management services; financial management services; information management services; information technology services; real property services; material services; acquisition services; travel; and other administrative services.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
0.2	0.3	0.3	0.5	0.5	0

Changes to Government Structure

Impacts on Financial and Human Resources Resulting from the Establishment of Shared Services Canada

The following are tables on Financial and Human Resources data that show the resources that were transferred to Shared Services Canada (SSC) and the expenditures incurred on behalf of SSC.

2011–2012					
Financial Resources ($ millions)			Human Resources (FTEs)		
	Planned Spending	Total Authorities*		Planned	Actual
Net transfer post Orders in Council (OIC)** to Shared Services Canada	—	9.9	Deemed to SSC	—	21.9

** Pursuant to section 31.1 of the* Financial Administration Act *and Orders in Council P.C. 2011-0881, P.C. 2011-0877 and P.C. 2011-1297, this amount was deemed to have been appropriated to SSC, which resulted in a reduction in the appropriation for AANDC.*

*** Total authorities, as presented in the "2011–2012 Financial Resources" table (and other relevant tables) in the "Summary of Performance" section, is the net of any transfers to SSC. Actual spending does not include expenditures incurred on behalf of SSC as of the OIC date.*

Section III: Supplementary Information

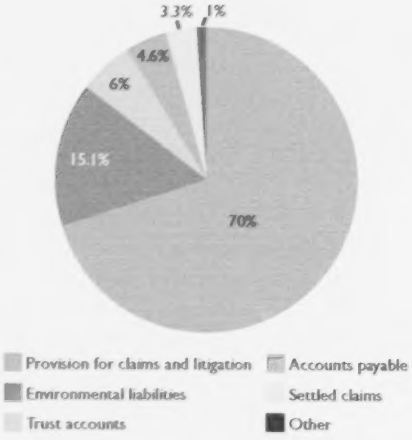
Financial Highlights

Condensed Statement of Financial Position (Unaudited)
As at March 31, 2012 ($ millions)

	% Change	2011–2012	2010–2011
Total net liabilities	-6.7%	15,661	16,792
Total net financial assets	-17.7%	1,766	2,147
Departmental net debt	-5.1%	13,895	14,645
Total non-financial assets	-1.3%	79	80
Departmental net financial position	-5.1%	-13,816	-14,564

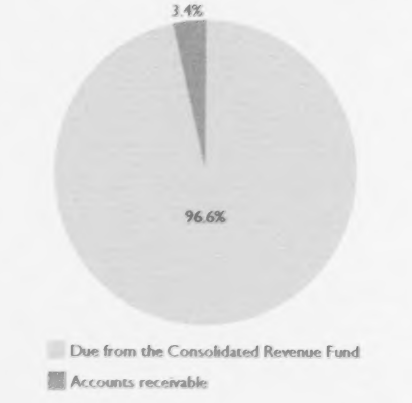
Liabilities by Type

Total net liabilities were $15,661 million at the end of 2011–2012, which was a decrease of $1,131 million (-6.7%) from the previous year's total net liabilities of $16,792 million. The provision for claims and litigation represents the largest portion of liabilities at $10,965 million or 70% of total liabilities. Other significant liabilities include environmental liabilities of $2,371 million (15.1%), trust accounts of $939 million (6%), accounts payable of $728 million (4.6%) and the liability for settled claims in the amount of $520 million (3.3%).



Net Financial Assets by Type

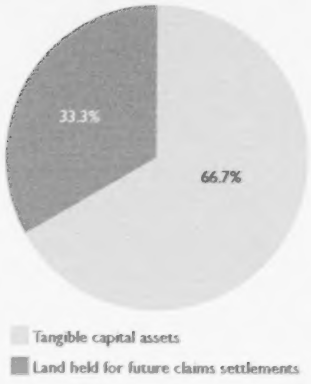
Total net financial assets were $1,766 million at the end of 2011–2012, which was a decrease of $381 million (-17.7%) from the previous year's total net financial assets of $2,147 million. The asset Due from the Consolidated Revenue Fund (CRF)[13] accounted for 96.6% of total net financial assets at $1,706 million and accounts receivable accounted for the remaining 3.4% of net financial assets at $60 million.



[13] These amounts are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that AANDC is entitled to draw from the CRF without further appropriation to discharge its liabilities.

Non-Financial Assets by Type

Total non-financial assets were $79 million which was a decrease of $1 million (-1.3%) from the previous year's total non-financial assets of $80 million. Tangible capital assets represent 66.7% or $53 million of total non-financial assets while land held for future claims settlements represents the remaining 33.3% at $26 million.



Significant Changes

During the year, AANDC adopted the revised Treasury Board Accounting Standard TBAS 1.2: Departmental and Agency Financial Statements, which was effective for the Department for the 2011–2012 fiscal year. The major changes in the accounting policies of the Department required by the adoption of the revised TBAS 1.2 include the addition of a Departmental net debt indicator and a Statement of Departmental Net Debt, as well as the recording of amounts held on behalf of government on the Statement of Financial Position and expenses incurred and revenues earned on behalf of government on the Statement of Operations and Departmental Net Financial Position.

The change in total liabilities can be attributed mainly to a decrease in the provision for claims and litigation due to the settlement of many previously outstanding claims, a decrease in trust account liabilities due to a significant court-mandated balance transfer during the year, and a decrease in accrued liabilities due to the settlement of many previously outstanding payables-at-year-end.

The change in total net financial assets can be attributed mainly to the decrease in the asset Due from the CRF, as a result of the settlement of many previously outstanding accrued liabilities (payables-at-year-end), as well as a decrease in trust accounts due to a significant court-mandated balance transfer.

Condensed Statement of Operations and Departmental Net Financial Position (Unaudited)
For the Year Ended March 31, 2012 ($ millions)

	% Change	2011–2012	2010–2011
Total expenses	-10.1%	7,147	7,953
Total revenues	100%	1	0
Net cost of operations before government funding and transfers	-10.3%	7,162	7,983
Departmental net financial position	-5.1%	-13,816	-14,564

Expenses by Type

Total expenses were $7,147 million in 2011–2012, representing a 10.1% decrease from the previous year's expenses of $7,953 million. Transfer payments, the majority to Aboriginal people and Aboriginal organizations, amounted to $5,776 million or 80.8% of total expenses. Other significant expenses included salaries and employee benefits totaling $561 million (7.9%) and court awards and other settlements totaling $459 million (6.4%).

Revenues by Type

Total revenues for 2011–2012 amounted to $0.6 million, representing a 100% increase over the previous year's total revenues of $0. Respendable revenues from the provision of finance and administrative services represent $0.6 million or 100% of total revenues.

Significant changes

The change in total expenses can be attributed mainly to a decrease in the provision for claims and litigation, resulting in a significantly lower year-end adjustment to expenses than in the prior year.

The change in total revenues can be attributed to respendable revenue earned in 2011–2012 as a result an agreement for the provision of finance and administrative services to the Canadian Northern Economic Development Agency.

Financial Statements

Please refer to the Financial Statements on AANDC's website (http://www.aadnc-aandc.gc.ca/eng/1343917447368) for more information.

List of Supplementary Information Tables

The following electronic supplementary information tables can be found on AANDC's website (http://www.aadnc-aandc.gc.ca/eng/1100100010318/1100100010319).

- Details on Transfer Payment Programs (TPPs)
- Greening Government Operations
- Horizontal Initiatives
  - — International Polar Year
  - — First Nations Water and Wastewater Action Plan
  - — Indian Residential Schools — Health Support
  - — Urban Aboriginal Strategy
- Internal Audits and Evaluations
- Response to Parliamentary Committees and External Audits
- Status Report on Major Crown/Transformational Projects
- Status Report on Projects Operating with Specific Treasury Board Approval
- Sources of Respendable and Non-Respendable Revenue
- User Fee Reporting

Section IV: Other Items of Interest

2011–2012 Full-Time Equivalent (FTE) Variances by Program Activity

2011–2012 (FTEs)			
Program Activity	Planned (a)	Actual (b)	Variances (b-a)
Governance and Institutions of Government	89.0	490.0	401.1
Co-operative Relationships	413.0	391.8	-21.2
Treaty Management	7.0	88.0	81.0
Education	227.0	276.6	49.6
Social Development	74.0	125.0	51.0
Managing Individual Affairs	268.0	296.3	28.3
Residential Schools Resolution	475.0	472.6	-2.4
Aboriginal Economic Development	355.0	459.1	104.1
Federal Administration of Reserve Land	123.0	156.2	33.2
Community Infrastructure	233.0	263.3	30.3
Northern Governance and People	42.0	67.1	25.1
Northern Science and Technology	17.0	38.9	21.9
Northern Land, Resources and Environmental Management	332.0	395.3	63.3
Urban Aboriginal Strategy	36.0	37.6	1.6
Métis and Non-Status Indian Organizational Capacity Development	19.0	21.6	2.6
Métis Rights Management	10.0	8.8	-1.2
Internal Services	2,633.0	1,704.1	-928.9
Total	**5,353.0**	**5,292.2**	**-60.8**

Due to rounding, figures may not add up to total shown.

As depicted in the above chart, the total variance of planned to actual FTEs is 60.8 (1.1%). However, the chart also demonstrates significant adjustments within departmental program activity areas. This is primarily in response to an internal review which revealed the need for the realignment of FTEs in a manner consistent with other federal organizations and in accordance with Treasury Board Secretariat guidance. Most significant among these adjustments was the realignment of Internal Services FTEs to the appropriate program activity area. This is reflected most significantly for:

- Governance and Institutions of Government;
- Treaty Management;
- Education;
- Social Development;
- Aboriginal Economic Development; and
- Northern Land, Resources and Environmental Management.

The net decrease of 60.8 full-time equivalents from 5,353.0 Planned to 5,292.2 Actual FTEs, is primarily a result of the transfer to Shared Services Canada of human resources for information technology services (including e-mail, data centre and network) and operational efficiencies by focusing on ways to decrease operational costs as much as possible.

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